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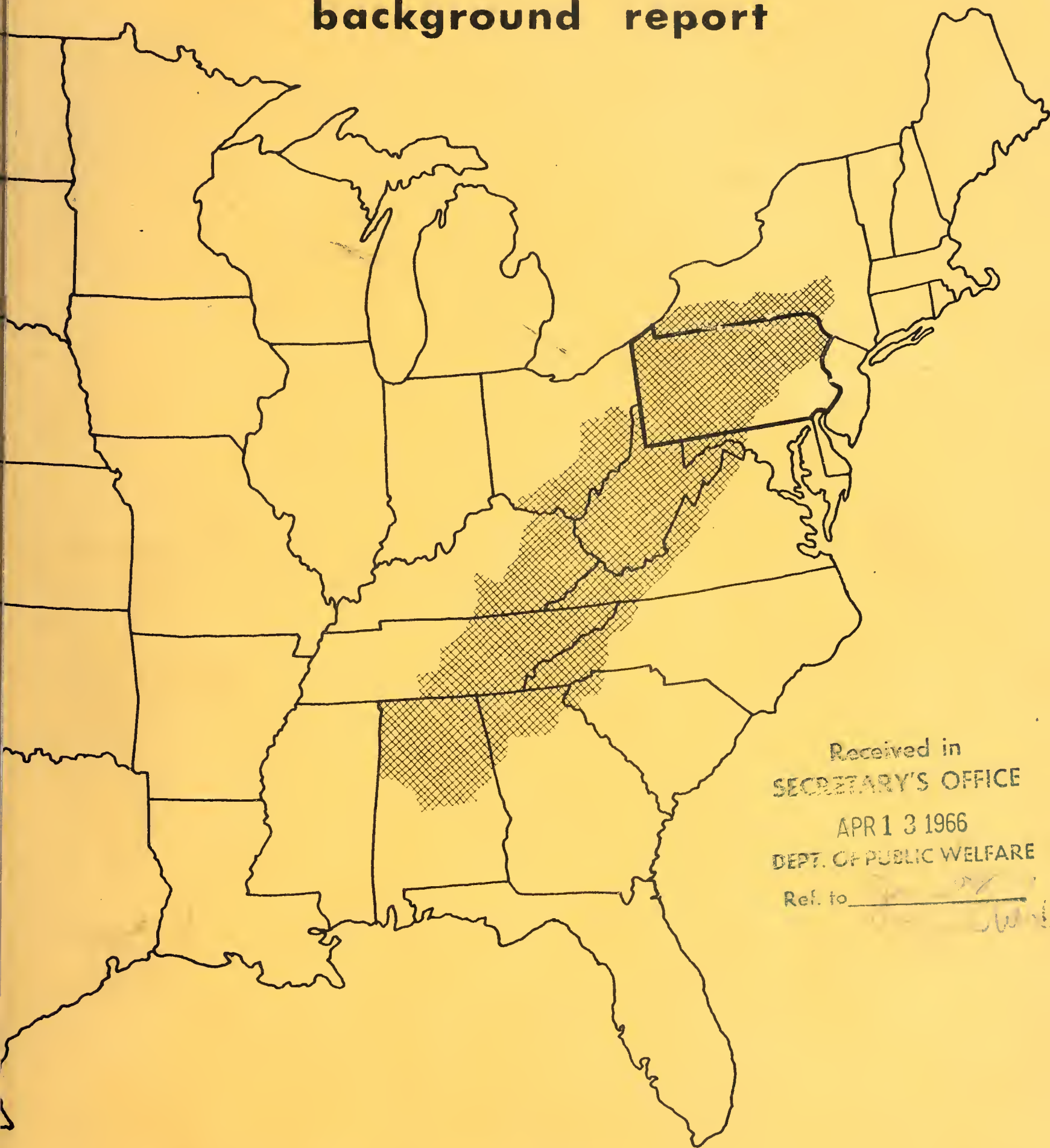
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APPALACHIA PENNSYLVANIA

background report



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APPALACHIA PENNSYLVANIA

Background Report

Pennsylvania State Planning Board
Harrisburg
1965

FORWORD

This report provides background information for the programs that are developing to deal with "Appalachia". Among these, the most widely known is the Appalachian Regional Development Act of 1965, which set up the Appalachian Regional Commission, a unique Federal-State organization. The State Planning Board, designated by Governor William W. Scranton as advisor to his representatives on the Commission, is concerned with the economic, social, and physical development of the Commonwealth, and as a result, includes in its major responsibilities the consideration of "Appalachia."

As a first report on Appalachia Pennsylvania, this study is intentionally general. Subsequent work will focus on specific programmatic and geographic concerns. Much of the Board's other work is also relevant to this effort: the Capital Program, Regional Reconnaissance, participation in regional planning efforts, and the basic economic and demographic research which has been the Board's traditional concern.

This report was prepared by Allan Spader, Planning Technician II and Fritz Fichtner, Planning Research Analyst I, under the supervision of Mark Heyman, Chief of the Research and Capital Program Division. As in all the Board's activities in the Appalachia Program, this research would not have been possible without the cooperation of the Governor's Representative on the Commission, John K. Tabor, Secretary of Commerce, and his aides, Otto Amann and Carl Mugnani, of the Department of Commerce.

- Irving Hand
Executive Director

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INTRODUCTION

The purpose of this background report is to present a framework for the future work of the State Planning Board in fulfilling its role as advisor to the Governor's representative on the Appalachian Regional Commission. As detailed in Executive Directive #53 (2/17/65), this role includes research, policy guidance, and project review. As a first report, then, this publication provides a broad perspective on Appalachia. In doing so, it raises significant questions which later studies will examine in detail.

As Appalachia Pennsylvania is a substantial segment of the Commonwealth - over 80% of its area and 50% of its population - an investigation of the subject is inevitably a contribution to the Board's larger concern: the economic, social, and physical development of Pennsylvania. Consequently, this report supplements other studies in process.

With its four chapters and four appendices, this publication has been prepared so that it may be read from beginning to end. Some readers, however, may be interested in certain aspects of the subject and may wish to skip over some sections. The Summary of the main body of the report will help guide the reader.

The first chapter, What is Appalachia?, suggests some of the problems of defining "Appalachia". A brief description of Appalachia Pennsylvania and how it compares to the rest of the Region and the rest of the Commonwealth, is the subject of Chapter 2. The third chapter is

an excursion into Regional Development Theory - an effort to suggest some theoretical approaches to analyzing depressed areas. Chapter 4, The Appalachia Program, is an historical approach to the present program, noting major studies, events, and participants. The Appendices are: a Bibliography of 51 selected readings, briefly annotated; Selected Data on Appalachia; The Legal Tools, summaries of the major elements of the Appalachia Program; and finally, the text of The Appalachian Regional Development Act of 1965.

SUMMARY

I: WHAT IS APPALACHIA? - Appalachia is both an area and a set of qualities. Only minor differences are found among areal definitions: there is less agreement on qualities, which vary with the viewpoint of the observer. A large number of characteristics have been used in these definitions; low per capita income, high unemployment, low levels of education and health are frequently mentioned. Identifying the causes of these problems evokes even less agreement, leading to a variety of proposed solutions. The Appalachia Act provides a diverse set of programs aimed at some causes, principally deficiencies of access. Still needed is a definition of success for this program, based on clearly identified and monitored qualities that define "a depressed region."

II: APPALACHIA PENNSYLVANIA - Pennsylvania's share of Appalachia is the largest of any of the 12 states, both in area and in population. Appalachia Pennsylvania shares the economic and demographic characteristics of the Appalachia Region. The historic emphasis on extractive industry, relatively low levels of income and education, and relatively high unemployment and outmigration, all serve to join Appalachia Pennsylvania to the Region. Pennsylvania is not, however, a typical Appalachian state: it is highly urbanized; its economy emphasizes manufacturing; it differs in significant socio-economic characteristics. There are also variations within Appalachia Pennsylvania, both in patterns of settlement and in the structure and health of the economy. The remainder of the State, Megalopolis Pennsylvania, contrasts with Appalachia Pennsylvania in population growth, level of economic activity, and even in the agricultural sector.

III: REGIONAL DEVELOPMENT THEORY - The economic growth of a region - a part of a nation - is a function of internal activities over which the region has some control, and of external factors over which the region has little influence. Sector theory sees a regional economy evolving through changes in its internal structure, with growth related to its ability to advance from a specialized extractive economy to a diversified economy with highly developed trade and services. Export-base theory focuses on the demand originating outside the region, suggesting that growth is related to the development of exports. These concepts represent a beginning for regional development theory, which is yet in its early stages of development. Beyond the deficiencies of development theory, there remain the large questions of policy. Some of these concern a national approach to regional development and the time perspective we use.

IV: THE APPALACHIA PROGRAM - is the result of both the efforts directed specifically to Appalachia and the national concern with poverty and lagging economic development. On the regional level, the Conference of Appalachian Governors, and later, the President's Appalachian Regional Commission sought solutions to Appalachia's problems. On the national level, the long campaign of Senator Paul H. Douglas culminated in the Area Redevelopment Act, which was followed by the Economic Opportunity Act, the Manpower Development and Training Act, the Public Works and Economic Development Act. Unique characteristics of the Appalachian Regional Development Act are the creation of a Federal-State administrative mechanism - the Appalachian Regional Commission - and the directive to place public investment in "areas where there is a significant potential for growth". The Appalachian Program is properly described as the Appalachia Act plus other Federal and State programs for economic development.

Chapter I - WHAT IS APPALACHIA?

Appalachia is on the conscience of the richest nation of the world.

Appalachia - whether it be termed distressed, depressed, under-developed, bypassed, or simply lagging or poor - is now the focus of a joint Federal-State program, whose core is the Appalachian Regional Development Act of 1965. The difficulties of the twelve-State Region are seen vividly when a comparison is made with another area of the nation of comparable size and population. California, in the decade of the 1950's, attracted over 2 million migrants more than left the State; during the same years, Appalachia lost 2 million people through outmigration. The underlying cause of this situation is the Appalachia problem.

* * *

What is Appalachia?

Briefly it is an area and a set of qualities. These two ways of identifying Appalachia are interrelated; this chapter concentrates on the question of qualities, after a brief examination of areal designations.

Though many studies of Appalachia do not, as one might expect, agree on the exact geographical extent of Appalachia, nor do they agree with the way governmental programs define the area, the variations are not extreme. Map 1 presents several areal definitions; a comparative analysis would require examination of the criteria used for delineations. In most instances, these are not available; in some cases, the criteria are not precise. The Appalachian

Regional Development Act of 1965 defined a two state Region, whose final boundaries were not set until 13 counties in New York were added in August 1965.

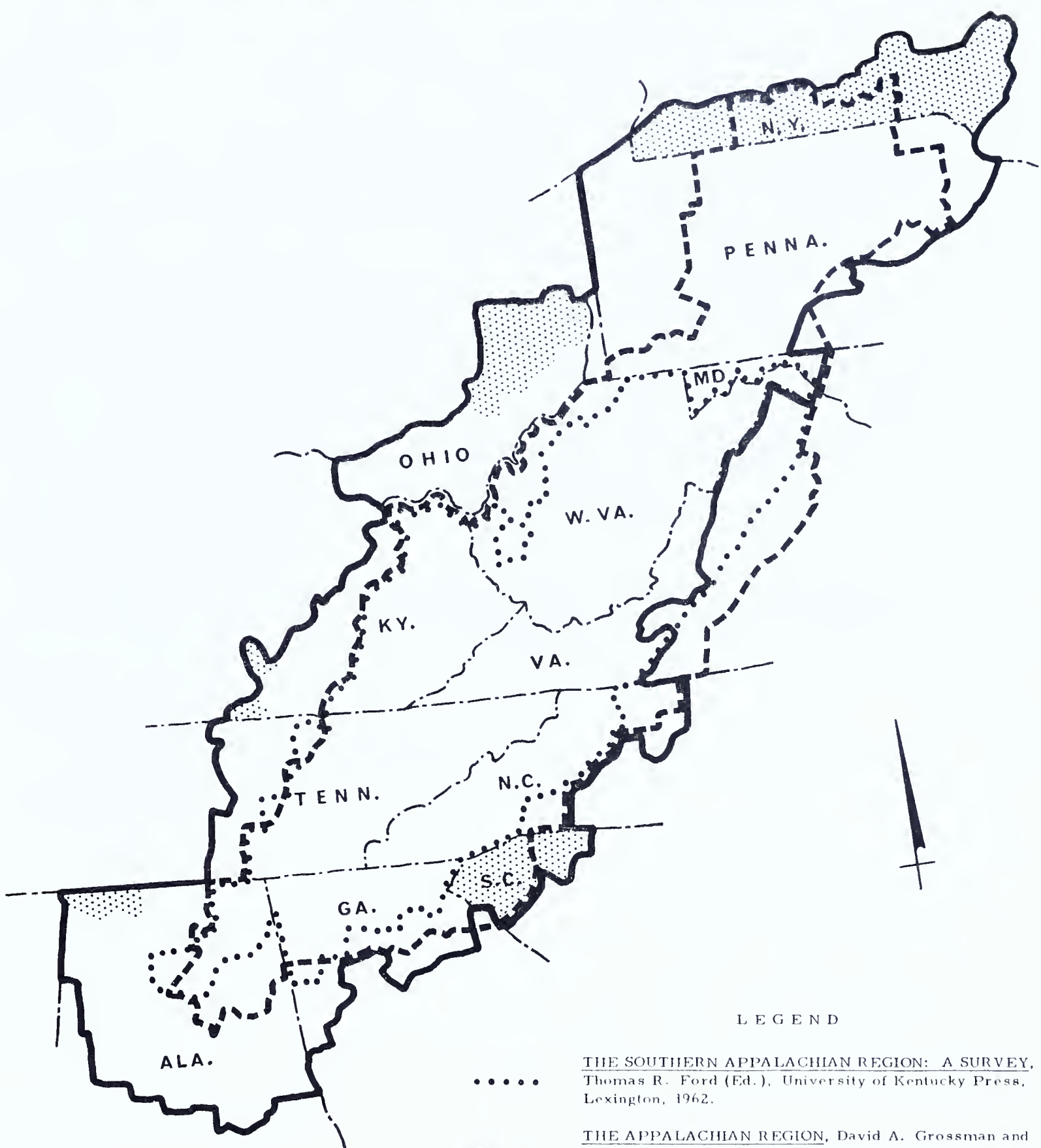
The question of Appalachia qualities is a large and complex one and, unlike the question of area, is amenable to analysis. There is considerable literature and data on the subject, but it is far from unanimous. The one certainty in this field is that there is a correlation between the background of the observer and the qualities selected to define Appalachia. As a corollary, a group of observers tends to reflect, in their consensus, something of each of the individual member's points of view.

The classes of characteristics which have been used to define Appalachia fall into two general groups; qualities of land and qualities of people. Some characteristics are readily classifiable; for example, topography, water resources, income, literacy. There are certain phenomena, such as "urbanization" which partake equally of both people and land; that is to say, they are spatial approaches to human activity. Poor housing, long a vexing problem in the United States and elsewhere, is a complex relationship between the human and the physical worlds, which is yet to be unravelled. By and large, however, there are two sets of qualities of "Appalachianess" - people and land, and both have been used in definitions. Both are amenable to some form of quantification and thus lead to indices - which are essential if we are to identify problems, propose solutions, implement them, and properly evaluate the results.

Within each of the two large categories - people and land - one can make a variety of selections in order to define Appalachia; this will depend on who is doing the selecting. Among land-oriented observers, for example, foresters will look at trees and agriculturists will look at the soil (that is not to say

Map 1

AREAL DEFINITIONS OF APPALACHIA



LEGEND

-
THE SOUTHERN APPALACHIAN REGION: A SURVEY,
Thomas R. Ford (Ed.), University of Kentucky Press,
Lexington, 1962.
- THE APPALACHIAN REGION, David A. Grossman and
Melvin Levin, Maryland Department of Economic Development,
Annapolis, 1960.
- THE APPALACHIAN REGIONAL DEVELOPMENT ACT
-
Portions of the above not included in APPALACHIA: A
REPORT BY THE PRESIDENT'S APPALACHIAN RE-
GIONAL COMMISSION, Washington, 1964.

that, each of these groups will be unanimous in what they see). It is obvious that this type of analysis cannot lead to a single set of characteristics telling us about the "true" nature of Appalachia; it all depends on your point of view, as the common and accurate expression has it.

While an academic discussion of definitions may be of interest, an examination of some actual working definitions of Appalachia will prove more useful.

Because there has been created a unique national state instrument for dealing with Appalachia, the Appalachian Regional Commission, and because large resources will be expended by the governments involved, it will be worthwhile to examine definitions of Appalachia as they evolved in the establishment of this new program specifically identified as being "Appalachia". The three we shall discuss are those of:

1) President's Appalachian Regional Commission, PARC Staff and Team Summaries and Recommendations, October 30, 1963 (hereafter referred to as "PARC Staff Recommendations");¹

2) Appalachia: A Report By the President's Appalachian Regional Commission, 1964 (referred to as "PARC Report");² and

3) The Appalachian Regional Development Act of 1965.³

The PARC Staff Recommendations examines Appalachia in terms of transportation, physical resources, water resources, human resources, and "organizing for economic development". Appalachia seems to be, according to the problems identified here, an area with a "critical deficiency in highways," with "natural

¹ See Bibliography, page 58

² See Bibliography, page 58

³ See The Legal Tools, page 67: for full text, see page 77.

inaccessibility," with improperly managed and developed physical resources (principally coal, timber, and agriculture); with flooding, erosion, and water pollution problems; with unmet "elemental needs in health, housing, basic education and training"; and with a lack of funds "to meet the unusually severe problems faced here."

In the memorandum transmitting the recommendations, the problems of Appalachia are restated in the following manner:

- "1. The lack of access both to and within the Region.
- "2. A present technological inability to fully use the Region's great natural resources - coal, timber, and arable land.
- "3. A lack of facilities to both control and exploit the abundant rainfall in Appalachia.
- "4. Inadequate resources to train and retrain both the youth of the region and those whose jobs were displaced by changing technology."

Not noted in the excerpts above, but appearing throughout the staff papers, are concerns for the "poverty," "vast, unmet human needs," "serious lack of many of the social and economic advantages to which many other parts of the country have been accustomed in recent years," "low level of educational and vocational achievement," high infant mortality, dependency on welfare, and so on, of the people of Appalachia. Thus, the defining qualities we first noted from this report are not meant to be the total picture. Nevertheless, directed to action, the selections indicate the characteristics which the recommended solutions would attempt to change.

The PARC Report offers a second presentation of Appalachia: low income, high unemployment, lack of urbanization, deficits in education, deficits in living standard (per capita consumer expenditures, savings, housing conditions, welfare payments); a changing citizenry (out-migration, declining proportion in

the 18-64 age group). This report indicates that ". . . the Commission has focused its attention upon the region's priority problems. It has proposed programs to attack these central strands of the regional knot, and it considers them essential. But still, they are simply a first step."

The PARC Report, in addition to proposing an "Appalachian Regional Commission", which is substantially the same as the present Commission, suggests a number of programs:

Development and access highways, parkways;

Studies of water resources and the economic impact of airports;

Acceleration of sewage and water treatment projects;

Pasture improvement program;

Establishment of "Timber Development Organizations", and a variety of forestry programs;

Research on coal - its use, extraction, power potential, and subsidence and acid mine drainage;

Research and support for a variety of recreation programs;

Additional Appalachia efforts by the then proposed "poverty agency";

Expansion of the ARA, SBA, and similar efforts:

Expansion of a variety of Federal programs for community development, such as those administered by the Rural Areas Development program of the Department of Agriculture, the Community Facilities Administration and the Urban Renewal Administration of the Housing and Home Finance Agency, and the Area Redevelopment Administration.

This package of recommendations is summarized, in the report, into "priority areas of investment", by rephrasing the PARC Staff Recommendations:

"(a) The provisions of access both to and within the region.

"(b) Programs to use more fully the region's great natural resources - coal, timber, and arable land.

"(c) Construction of facilities both to control and exploit the abundant rainfall of Appalachia.

"(d) Programs in which immediate improvements in human resources can be attained."

For a third statement on Appalachia, examine the "Findings and Statement of Purpose: of the "Appalachian Regional Development Act of 1965;"

"Sec. 2. The Congress hereby finds and declares that the Appalachian region of the United States, while abundant in natural resources and rich in potential, lags behind the rest of the Nation in its economic growth and that its people have not shared properly in the Nation's prosperity. The region's uneven past development, with its historical reliance on a few basic industries and a marginal agriculture, has failed to provide the economic base that is a vital prerequisite for vigorous, self-sustaining growth It is, therefore, the purpose of this Act to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted basis As the region obtains the needed physical and transportation facilities and develops its human resources, the Congress expects that the region will generate a diversified industry, and that the region will then be able to support itself, through the workings of a strengthened free enterprise economy."

The Act establishes the Appalachian Regional Commission; provides new programs for highways, health facilities, land conservation, timber development, mining restoration, and a water resources survey; supplements existing programs in vocational education, sewage treatment, and planning and any existing Federal Grant-in-Aid Programs for construction or equipment; provides grants for administration, research, and demonstration projects by non-profit "local development districts."

In addition, there are several references to purpose throughout the Act, such as:" in order that the region shall more fully benefit from the timber stands that are one of its prime assets. . . ." and "In order to provide basic facilities to give the people of the region the training and education they need to obtain employment" and so on.

* * *

We have abstracted key sentences from three approaches to Appalachia. Recognizing that each of these three sets of statements is the result of much discussion and some compromise, the statements can be examined as they must be read - and used - in the administration of the Appalachian Regional Development Act.

A large number of characteristics have been identified in these three approaches as "Appalachia qualities." However, some of these characteristics are selected not because they are considered something to be overcome for their own sake, but because they are believed to be the causes of other characteristics. Lack of accessibility, for example, is not cited as the loss of a good, but as a contributing cause of a slow rate of economic or cultural development relative to the nation as a whole.

Consequently, if the Appalachia qualities common to virtually all the definitions are identified, and - for the moment - we do not go behind these to causes, there is a more restricted list of characteristics to examine. In fact, we are left with but two types of measures of welfare - those that are considered "economic" and those that are classified as "social". Among the economic characteristics, we have per capita income, savings, unemployment and the like. The social welfare criteria include such measures as level of education or literacy, disease or disability rates, etc. All of these, economic or social, are clearly indices that are commonly used to measure societal problems.

Other types of characteristics that have been identified for Appalachia seem to fall into the category of causes of these economic and social deficiencies. Thus, the historic dependence on mining and agriculture has quite clearly had an impact on per capita income and employment today. What clouds the identification of causes, difficult as this always is, is that they are approached in the manner

in which existing programs structure them. We tend to see problems in terms of the tools we have at hand. But, as Appalachia has been a much studied problem over the past forty years, we should expect to find problems for which the tools at hand are inadequate.

Given an approach to the definition of Appalachia as an area and a set of qualities, this discussion has arrived at an approach to a definition in terms of measurable economic and social welfare criteria in an area. Upon the selection of specific indices, considering data availability and the like, we have a means of measuring "Appalachianess."

But, if "Appalachianess" is equated with those effects (not causes) which we wish to change, are we not then really talking about any depressed region? Does not the analysis of this chapter apply equally as well to those areas of the nation which will probably generate their own "regional development commissions" under the Public Works and Economic Development Act, which followed - chronologically and programmatically - the Appalachia Act?

The answer is yes; this discussion of the definition of "Appalachia" has become, in fact, a discussion of the definition of "a depressed region". But, we assert, this is an essential first step. If the Appalachia Program is to be successful, "success" must be identified. We argue that there are qualities (of Appalachia and other depressed regions) which should be clearly identified, measured, and monitored, so that - as the program proceeds - observers will be able to agree on the degree of success that has been achieved. Accurate, meaningful information that can be continually updated eludes us still - in the age of the computer. What is needed is an operation-oriented Appalachia data system, a tool that cannot be acquired without cost.

* * *

Chapter II - APPALACHIA PENNSYLVANIA

Fifty-two of Pennsylvania's sixty-seven counties were designated by the United States Congress as part of the "Appalachian Region" in the Appalachian Regional Development Act of 1965. Appalachia Pennsylvania contributes more land (24 million acres) and more people (nearly 6 million) to the Region than any of the eleven other states. This chapter describes the nature of Pennsylvania's participation in the economic and cultural characteristics common to the Region, indicating both similarities and differences between Appalachia Pennsylvania and the rest of Appalachia. Pennsylvania is a variegated State; the second half of this chapter notes some of the variations found within the fifty-two Appalachia Pennsylvania counties and some differences between the Appalachian and non-Appalachian portions of the Commonwealth.¹

* * *

Physiographically, the Appalachian Mountains are a broad spine running from the northeast to the south central portion of Pennsylvania. Nearly all the western two thirds of the State lie across the hilly or mountainous topography which is typical of the entire Appalachian Region. Because of the need for extensive cutting and filling, bridging and tunnelling, and "going 'round", the building of roads in Appalachia has been an expensive task and the existing highway network in the Region is less developed than in most of the nation. Topogra-

¹ Data employed in this chapter are from the various reports of U. S. Bureau of the Census, Pennsylvania Bureau of Employment Security, and the Population Estimates of the State Planning Board.

phy has been, and continues to be, a major difficulty in improving access within - and to - Appalachia.

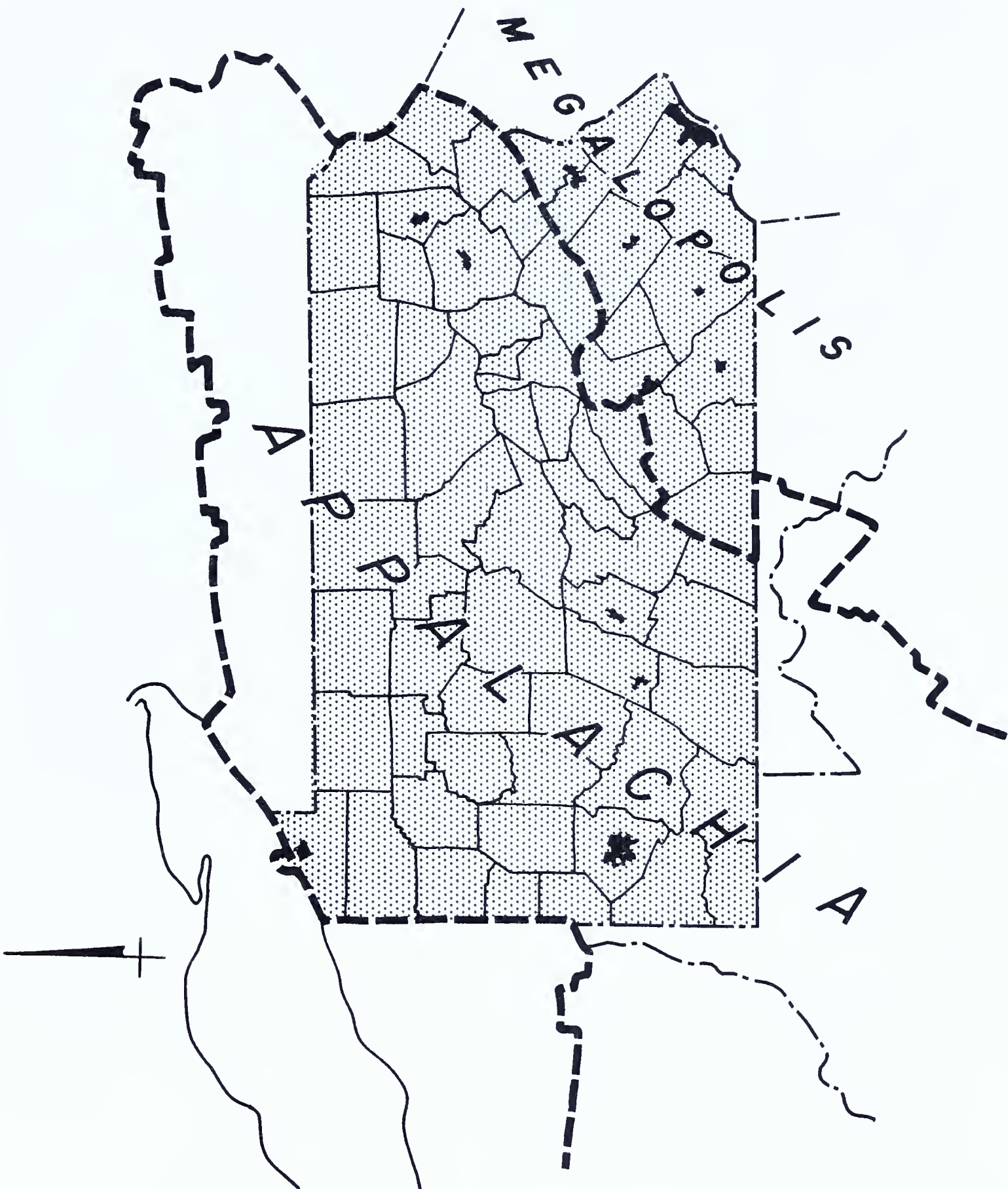
Characteristic of the economic activity of most of Appalachia is a historic emphasis upon extractive industries, particularly coal, oil, forestry and agriculture. Pennsylvania is one of the nation's principal coal producing states; in addition to its extensive bituminous fields, the Commonwealth has virtually all of the nation's anthracite resources. For many years, this natural wealth played the major role in the economy of the Commonwealth. Together with the other coal producing sections of the Region, Pennsylvania's coal areas have felt the severe reduction of employment that has occurred in the coal industry during the past twenty years, reflecting both the trend in mechanization and the sharp decline in demand which followed World War II. While the production of coal has now again turned upward, manpower demands in the industry continue to decline. In addition, the despoilment of land and water resources, particularly from strip mining and acid mine drainage, has had an adverse effect on an economy in which scenic and recreation values are increasingly important.

Farmland in Appalachia (Pennsylvania is generally medium to low in productivity, as in the rest of the Region, and farms are often small and under-capitalized, yielding low incomes to their owner-operators or tenants.

Pennsylvania's fifty-two Appalachia counties share the chronic economic problems of the Appalachian Region. Perhaps most symptomatic of these problems is the numbers of Pennsylvanians who leave the area each year to seek better opportunity elsewhere and, conversely, the relative scarcity of immigrants. Between 1950 and 1960, the Appalachian portion of the Commonwealth experienced a net migration loss of 529,000 people. This outward flow most affected the 21 to

Map 2

PENNSYLVANIA: MEGALOPOLIS & APPALACHIA



64 age group - who constitute the majority of employed persons, with Appalachia Pennsylvania experiencing an absolute loss of 232,000 (7% of this age group) between 1950 and 1960.² Compared with the rest of the Region, Pennsylvania ranks low in both net outmigration and loss of working age population. With one-third of the population, Pennsylvania accounts for one-quarter of the migrants from the Region.

Appalachia Pennsylvania ranks consistently below national averages in income and education. The average per capita income in 1960 for Pennsylvania Appalachia was more than \$200 below the national average and even further below the averages for the Northeastern and Middle Atlantic states. Like the rest of the Region, Appalachia Pennsylvania compares unfavorably with the nation in level of education of the adult population, whether measured by percentages of those completing five years of schooling or less, four years of high school, or four years of college.

Finally, Appalachia Pennsylvania experienced a high level of unemployment during most of the 1940-1960 period and, in 1960, ranked among the highest states in Appalachia. Appalachia Pennsylvania, with 1/3 of the population of Appalachia, accounted for over half of the total unemployment in the entire region in 1962. In more recent years, unemployment rates have dropped substantially.

* * *

² During the same period, the total population of Appalachia Pennsylvania grew by 146,000, or 2.5%.

While Pennsylvania shares in many of the basic problems of the Appalachian Region, there are also contrasts with the rest of the Region.

Appalachia Pennsylvania is more urbanized than Appalachia as a whole. Over 63% of the population of Appalachia Pennsylvania lives in urban areas as contrasted with only 37% for the rest of the Region. Appalachia Pennsylvania is settled at an average density of 160 persons per square mile; the rest of the Region has 75 persons per square mile. Only 4% of the people in Appalachia Pennsylvania are classified as living in "rural farm" residences, as opposed to 14% for the remainder of the Region. Constituting one third of the Region's total population, Appalachia Pennsylvania accounts for more than 1/2 of the Region's metropolitan population. The four-county Pittsburgh Standard Metropolitan Statistical Area, with 2.4 million people (40% of the State's Appalachia population), accounts for one out of seven people in the entire Region.

The people of Appalachia have been characterized as primarily of "Anglo-Saxon extraction, descendants of many generations of native born Americans."³ How true is this of Pennsylvania? Of the 1.6 million Appalachians who are foreign born or have a foreign born parent, only 200,000 are not Pennsylvanians. Stated another way, 23% of Pennsylvania's Appalachian population is in this category, compared to only 2% of the rest of the Region. Considered with the high level of urbanization, these factors indicate Pennsylvanians do not generally conform to the "mountaineer" image that is associated with Appalachia.

Perhaps the most significant contrast between Appalachia Pennsylvania and the remainder of the region lies in the nature of its economic activity.

³ David A. Grossman and Melvin Leven, The Appalachian Region, Maryland Department of Economic Development, May 1960.

This portion of the Commonwealth, especially the Pittsburgh area, has a very strong commitment to the production of primary metals, particularly steel. More broadly, as much as 24% of the labor force of Appalachia Pennsylvania was employed in durable manufacturing in 1960 as compared with 14% in that sector for the rest of the Region. Employment in the total manufacturing sector was 5% higher in 1960 than for the rest of the Region and 4% higher than the national average. Automation and decentralization of the industry can be generally cited as the cause of the decline of 30,000 jobs in primary metals between 1957 and 1964 in the Pittsburgh labor market area.

The railroad industry has also been an important source of employment in Appalachia Pennsylvania and, together with coal and steel, has contributed to the present economic difficulties of the area. Between 1950 and 1960, changes in the railroad industry accounted for the loss of almost 50,000 jobs in the Commonwealth.

Appalachia Pennsylvania enjoys an advantage of location not shared by most of the Appalachian Region. The extensive highly developed area along the eastern seaboard, known commonly as Megalopolis, representing the largest single concentration of people and markets in the nation, directly adjoins the eastern counties of Appalachia Pennsylvania. The 15 non-Appalachia counties of the Commonwealth - including Philadelphia, Pennsylvania's largest city - are themselves a significant portion of Megalopolis. Appalachia Pennsylvania lies directly between (and with reasonably good access to) both Megalopolis and the second largest population concentration in the United States, the Cleveland-Detroit-Chicago complex.

Finally, while sharing in the Region's chronic economic problems, Pennsylvania's portion of Appalachia ranks highest among the Appalachian states

in most measures of per capita income and savings, as well as education. However, Pennsylvania's Appalachian counties do not rank high when compared to the adjacent states of the northeast.

* * *

Appalachia Pennsylvania is by no means a homogeneous area of common problems or common assets. The geography of the 52 Appalachian counties range from the steep mountain and valley terrain of the Appalachian Mountain section of central Pennsylvania, to the more rolling plateau and glaciated section of the west, and finally to the small area of central lowlands along Lake Erie. Major river systems have played important roles in the differential development of some parts of the Region. The Ohio River, together with the Allegheny and Monongahela Rivers, has historically served as a key element in the economic and population changes in southwestern Pennsylvania.

Great contrasts exist in patterns of human settlement within Appalachia Pennsylvania. Allegheny County has over 1,500,000 residents; 4,500 people live in Forest County. One might also compare the related string of urban centers in Lackawanne, Luzerne, Schuylkill, Columbia, and Northumberland Counties with the relatively isolated metropolitan areas of Altoona, Erie, and Johnstown.

The economic activities which provide the employment base for settlement differ appreciably throughout the Region. Coal has long been an important factor in the economy of two portions of the Appalachian section, the anthracite counties of the northeast and the bituminous counties of the southwest. Since the 1950's, employment in coal mining has declined steadily. In a smaller area within the southwest, steel production has centered around the City of Pittsburgh.

Appalachia Pennsylvania's second largest City, Erie, also produces steel, but it is diversified with a variety of manufacturing. The railroad industry has been a major source of economic activity in several areas of the Commonwealth, particularly Altoona, and these areas have felt the impact of the decline of that industry.

The non-metropolitan areas of Appalachia Pennsylvania also present a varied picture, ranging from the large, relatively uninhabited forest areas to the hundreds of small communities which characterize much of Appalachia. Throughout these areas, economic activity is varied; agriculture, forestry, mining, light manufacturing, natural gas, local trade, and recreation.

In examining differences between Appalachia Pennsylvania and Megalopolis Pennsylvania, we note that while about 80% of Pennsylvania's land area is in Appalachia, only about one half of the State's population lives there. This proportion has declined from 58% in 1930 and the post 1960 estimates indicate a continuing shifting of the Commonwealth's population balance from its Appalachia portion to its Megalopolis portion.

This sharp contrast in population growth between the Appalachian and Megalopolis portions of the State is best appreciated by comparing rates of population change. During the decade 1950-1960, the Megalopolis counties of the Commonwealth grew 14.3% (675,000), while the Appalachian counties increased 2.5% (146,000 persons). Thus, Megalopolis Pennsylvania accounted for 92% of the Commonwealth's growth in that period. (In the 1940's, the Megalopolis share was 75%, and in the 1930's, only 50%). Population estimates indicate that, between 1960 and 1963 the population of Appalachia Pennsylvania declined, while Megalopolis Pennsylvania continued to grow.

Megalopolis Pennsylvanians have higher incomes and larger invest-

ments than Appalachian Pennsylvanians. In 1960, median family income in Megalopolis Pennsylvania was \$6,188 - nearly \$900 (or 17%) higher than the average for the Appalachian counties. From 1956 to 1962, annual capital expenditures for manufacturing industries rose 7% in the Megalopolis counties while declining 14% in the Appalachia counties. While Appalachia Pennsylvania had previously held an absolute edge in capital investment in manufacturing, Megalopolis exceeded the Appalachia counties by approximately \$25 million in 1962.

Finally, despite the more urban character of the 15 Megalopolis counties, this area also has a decided advantage over Appalachia in agricultural production. Largely due to the fortunate circumstances of containing the most productive farm land in the Commonwealth, the value of agricultural products of Megalopolis Pennsylvania equals that of the very much larger Appalachia area.

This chapter has both compared and contrasted Appalachia Pennsylvania with the rest of the Region. Though it shares in many of the Region's problems, Appalachia Pennsylvania is significantly different, particularly with respect to economic activity and urbanization. In addition, there are significant variations within the Commonwealth's Appalachian counties; the average figures mask wide extremes that exist within the area. Thus, while Appalachia Pennsylvania is part of the Region and participates in the Regionwide program, a program for Appalachia Pennsylvania must look beyond the Regional problems and be responsive to the unique characteristics of Pennsylvania.

* * *

"Surely one of the most intractable of modern social and economic problems is that of the depressed region. As economic changes sweep across the country inevitably certain geographic areas become stranded just as others receive unexpected and perhaps unearned benefits. In those areas put at a disadvantage - whether the cause is a waning of natural resources, a shift in the location of markets, or some inability of business, labor, or governments to adjust to change - distress is likely to be severe, and the more severe the longer this condition persists."¹

Technological advances, population growth and increases in national and per capita income have become part of the American way of life. And yet, pockets of poverty and of chronic unemployment co-exist with the much-admired affluence that the United States exemplifies. Compared to the rest of the world, the United States is a highly developed country - and within its boundaries are areas that have economic problems similar to those confronted by nations now in the early stages of development. True, "poverty" in the United States may be "affluence" in another nation, but one cannot deny that as we have climbed the ladder of economic success, we have left behind areas whose ability to partake in our economy seems to have atrophied. The richer we, as a nation, become, the poorer these stagnant regions seem.

Economic theorists generally agree that the state of their art precludes definitive answers to the problems of lagging regions in a growing economy. Accordingly, this discussion of regional development theory does not include

¹ From the preface by Joseph L. Fisher to Resources and People in East Kentucky, by Mary Jean Bowman and W. Warren Haynes, Johns Hopkins Press, Baltimore, 1963.

solutions; instead it focuses on some of the current approaches to understanding the social and economic processes that underlie the problem that Fisher has rightly called "one of the most intractable of modern social and economic problems."

* * *

Rapidly changing economic conditions have resulted in differential growth among regions. Observe, for example, the dramatic movement of economic activity and population to metropolitan areas in recent decades. The attraction of our cultural-industrial centers and the amazing 20th Century technological revolution in agriculture have combined to effect extreme changes in our pattern of population distribution. It should not be necessary to recite the overwhelming evidence, but to suggest some of the facts: as the United States population increased from 76 million in 1900 to 180 million in 1960, agricultural employment fell from 36% to 7% of the labor force, and the per cent of the population in urban areas rose from 40% to 70%.

Advances in transportation technology have given management greater flexibility in locational decisions, resulting in an increasing tendency for industry to be oriented to markets, rather than to resources. Except for the immobile extractive industries, economic site selections in recent years have been more sensitive to large concentrations of population where sales markets, skilled labor, metropolitan amenities, supporting services, and financing are most accessible. As a consequence of improvement in the locational advantages offered by major urban complexes, the power both to attract and hold industry has declined in other areas. In short, the process of urbanization may accentuate

the disparities in economic growth among regions by moving population, economic activities and investment capital from less advantaged areas into the growing regions.

* * *

A prerequisite to a study of the disparities among regions is the identification of regions and an understanding of how "growth" may be ascertained. Before an examination of the economic processes, we should consider the essentials of regional economic measurement.

It is necessary to differentiate between per capita and volume growth. Volume measures of a regional economy are concerned with total employment, total income and aggregate output, and how these change over time. Per capita measures concern the distribution of income and wealth among the population of a region, and how these change. In measuring economic activity and its change, we shall have to keep separate these two approaches to economic measurement. Increase (or decline) in per capita income does not always occur with increase (or decline) in the total income of an area.

Recognition of non-economic as well as economic components of regional change is also important in a realistic appraisal of an area's performance. Economic variables can be measured, but non-economic factors do not lend themselves to quantitative analysis. Because of this are we to disregard some highly valued amenities? Aside from the economic consequences of Pittsburgh's anti-air pollution program, are not the health and comfort advantages gained worth weighing in a judgment of the "growth" of a region? Unfortunately, we cannot add quantitative and qualitative results and so must do our "accounting" in separate

ledgers. In the final analysis, this means statistical conclusions must be examined within the context of a subjective assessment of non-economic components of growth.

Since all regions are underdeveloped in the sense that all have some unrealized economic potential, the use of the term "underdeveloped" (or "lagging" or "depressed") must be based on some standard of economic achievement. National norms are commonly used as reference points for regional analysis because they seem appropriate in an open economy and also because of the pervasive impact of national forces on local economies. Specifically, national shifts in population, labor force, and industry; changes in national demand for consumer goods; advances in technology; and changes in national government policy all have an important influence on the economic character of subareas of the nation. While these factors generally result in a more efficient national allocation of resources and in national economic growth, not all regions - as stated before - share equally in the increases in wealth and income. Lagging regions lack not only certain qualities found in high growth areas, but they also lack the ability to compensate for these deficiencies. Briefly, the economic growth of a region is a function of both local (or internal) activities over which the region has some control, and national and world-wide (or external) factors over which the region has no influence. Quite often, the latter influences are stronger than the former. Over 90 percent of the loss of 400,000 jobs in Pennsylvania in the 1950-1960 decade were in the steel, coal, textile, and railroad industries, whose fortunes were strongly influenced by national and world-wide forces. Coal felt the shift to other fuels; steel, the results of improved technology and market shifts; railroads, the effects of technological changes and competition from truck transport; textiles, various factors including the competition of other areas with economic

advantages. Both physical facilities and skills become rapidly obsolete in an area of rapid technological change. This is particularly serious in areas like the Pittsburgh region, where a high proportion of physical and human resources have been committed to older technologies.

The availability of data influences the choice of analytical methods selected for regional economic analysis. A wide range of statistical information covering nearly every segment of the economy exists at the national level, but with decreases in the size of geographical units there is usually a corresponding decrease in the quantity and quality of data obtainable. As an example, labor force data for counties are not as detailed or as accurate as those for the nation. Unfortunately, data are not free and often the costs of acquiring better information seem to be greater than the benefits derived. Awareness of the nature, cost, and limitations of statistics is essential in the design of studies used in regional economic analysis.

One of the first steps in the collection of data is the delineation of the larger area into logical, workable smaller units which we call "regions" or "subregions"; data are obtained by the measurement of phenomena in space and the spaces must be defined.

The delineation of regions is theoretically quite complex. Criteria are many; they may be physical, economic, social, and political - or some combination thereof. Regions may be identified or defined by their borders (as in river basins) or by their "cores." Regions may be small and many, or large and few. The State Planning Board has identified thirteen planning regions for the Commonwealth; these have been used as the basis for a statewide "regional development reconnaissance," which was undertaken in 1964.

Because the greatest amount of economic activity is in or near cities,

the city is often used as a "core" for the delineation of a region (particularly in a highly urbanized nation), with the assumption that interests of the surrounding area tend to be strongly influenced by the urban center. In the past half century, however, the function and structure of the city as a social and economic unit has changed radically. The tendency for population to decline in many urban centers at the expense of significant gains in the suburbs has paralleled a more widely dispersed pattern of industry and trade. In heavily populated regions such as Megalopolis, the emergence of complex "nets," enveloping cities, towns and inter-city areas is evidenced by rapidly expanding, overlapping patterns of communications, trade, and travel. The spread of "urban" life from the city to outlying areas raises anew the question of how to delimit regions. In short, the socio-economic differences between urban, suburban and rural life in the United States have become blurred, and have made the problem of regional delineation more complex.

* * *

Two approaches to organizing economic data in order to understand regional growth are the "sector" concept and the "export-base" concept. Sector theory postulates a "normal" sequence of five stages through which regions develop:

- (1) a self-sufficient subsistence economy;
- (2) interregional trade resulting from specialization and improvement in transportation;
- (3) gradual shift of employment from primary to secondary activities (food processing and other resource-using industries within the manufacturing sector);

- (4) more diversified manufacturing and the emergence of tertiary industry (trade and services) to support an economy growing in complexity; and
- (5) specialization in certain tertiary industries for export, including the export of capital, services, and specialized personnel.

The shifts in employment from primary to secondary and then to tertiary activities ("sector shifts") arise mainly because expenditures for consumer goods do not expand equally as personal income increases. The resultant effect is differential growth among industries as suppliers adjust their production to meet changing market demand. Demand for food and clothing, for example, tends to increase slower than per capita income. Hence, farm output normally expands at a slower rate than total industry output.

In addition, the differential impact of technological improvements on labor productivity in various industries also governs the speed in which resources are channeled to alternative uses. The most dramatic of these effects has been - particularly in recent years - in farm technology. Accompanied by the relatively low rate of increase in demand for farm products, these improvements have caused agricultural employment to decline absolutely, in spite of population increase, in contrast to employment growth in other sectors. As noted earlier, agricultural employment in the national labor force has fallen, in 60 years, from 36% to 7%.

Sector theory leads to an examination within the region of policies which may influence the rate at which the economy will move from one stage to another. This effort finds its most common expression in the concentration on "growth industries," that is, those industries which are growing nationally in employment, output, or earnings per worker. Thus, the current attention on electronics, space, or research. (Not too long ago, coal and steel were in this category.)

In contrast to sector theory, which involves an examination of internal economic structure, export-base theory focuses on the consequences of demand that originates outside of the region. According to this approach, the demand of other regions for goods produced locally results, not only in business for the exporting industries, but also in business for local non-exporting industries. This secondary effect is known as the multiplier process and export-base studies devote attention to calculating just what this multiplication factor is and what it may be in the future. Export-base suggests that a region will grow according to how its exportable goods and service industries grow.

Since any industry can produce goods for both export and the local market, it is necessary to estimate for each industry, what share of its production is exported and what share is sold within the region. An additional difficulty is that the multiplier is not a fixed ratio; it has been found to vary from community to community, and to vary over time.

Export-base theory emphasizes the exports of a region and, in recent modifications, to the effect of imports on the region. This type of analysis leads to examination of regional policies that will encourage the development of industries which export from the region and industries which can produce goods which are currently being imported.

* * *

It was noted earlier that neither the export-base nor the sector concepts constitute a regional development theory. Among the aspects of regional development on which they shed little light, one of the most critical is that of population mobility. A region's economic development, is, in fact, the economic

improvement of the people of that region. How people move between regions must be a significant element in a regional development theory. As a practicing regional economist has noted, " . . . the end objective of development - namely people - is not fixed geographically and a recognition of this simple but basic fact has profound implications for regional development efforts."²

Beyond the obvious fact that people tend to move from regions of high unemployment to regions of low unemployment, or - stated somewhat more generally - economic opportunities will attract people, little is known about the relation of population movement to economic development. There are studies of the characteristics of migrants vs. non-migrants, but these have not been sufficiently dynamic to lead to a general theory. The decisions to leave (or enter) a region are made by individuals on the basis of many facts, and we have not as yet identified these sufficiently to understand how the decisions are related to the condition of the individual's pocketbook, his prospects and his view of his prospects, and other variables that might influence him. It is clear that migration must be examined concurrently with many other variables: this is a field ripe for study. The fetish for population growth - an anachronism from our pioneer days - has perhaps hindered studies of the situation. As it becomes more evident that population growth for the entire human race may be more liability than asset, perhaps less emphasis will be placed on national population growth and on regional population growth.

Particularly difficult is the population issue in those parts of a depressed region with the least apparent potential for economic revival. The regional economist offers little solace:

² Stefan H. Rebock, "Strategies for Regional Economic Development", paper presented to the Regional Science Association, Philadelphia, November 1965.

"The population side of the equation has received very little if any attention in cases where industrial growth opportunities are obviously limited. Economic decline in an area is an extremely difficult thing to face, particularly in our growth-minded culture, and yet the relative decline of certain areas in the volume of economic activities is an inevitable feature of a rapidly changing economy. It seems important that we learn to face up to problems involved in volume if we are to achieve the important objective of rapid increases in family levels of living, particularly for those currently in the lower income groups."³

Though presenting a social and political problem, it is as "economic" for people to move to jobs as it is to move jobs to people. The nationwide benefits resulting from the many internal migration movements that have occurred in the United States - and that are still occurring - are impossible to quantify, but that they are a significant element of the nation's economic vitality cannot be questioned. In recognition of this, some programs that have been proposed for depressed areas have included inducements to migrate, either in the form of loans or tax rebates for moving expenses or simply in the wider dissemination of information on employment opportunities.

With only fragmentary concepts rather than a full blown theory of regional development, a prescription of programs for depressed regions becomes a difficult task. An examination of the studies, debates, and discussions relative to the Appalachia program reveals the problem.⁴ In addition to the difficulties inherent in a lack of theory, there remain the major questions of policy and, as regional development efforts inevitably comingle fact, theory, and policy, it is appropriate that we identify here some of the major policy issues of regional development.

³ Harvey S. Perloff, et al, Regions Resources and Economic Growth, Johns Hopkins, Press, Baltimore, 1960.

⁴ See Bibliography.

A depressed region must be studied, as noted previously, in the context of some larger framework, usually the nation. It is said that a region lags behind the national average, but can it be a national goal to assist this region to attain the average? This would deny that interregional disparities should exist and we know that "interregional inequality of growth is an inevitable concomitant and condition of growth itself."⁵ If equalization is not possible, what do we desire? National policy in this area can take the form of a specified measure of aid to lagging regions, an identification of acceptable disparities between regions, or the striking of a balance between maximizing overall national growth and establishing a minimum level of regional growth.

This question of how much lag between region and nation is acceptable exists also within a region. How much difference is acceptable between subregion A and subregion B? And, if the total region will improve faster if public investment is put in A rather than B, - which is suggested when A is identified as having a greater "potential for growth" than B - will we do this if B continues to lag behind A? Probably yes, if the lag between subregions is not great, but how large is that?

The answers to these questions cannot be found solely within a regional development theory, for they are questions of political economy. But the intimate relation between policy (the product of politics) and regional development requires that we recognize these issues in approaching questions of theory.

An additional difficult question relates to the time horizon. Political

⁵ Albert O. Hirschman, The Strategy of Economic Development, Yale University Press, New Haven, 1958.

pressures favor short-run objectives, but can development efforts succeed in attacking problems which will obviously not be solved before the next election? Political needs aside, we should determine if our present efforts in Appalachia aim at objectives within ten years, twenty years, or thirty years. Are we basically concerned with this generation or the next?

These areas of difficult decision should not deter us from efforts to achieve a regional development theory. The need is great, but - meanwhile - an Appalachia Program has begun, and it may be that the next several years' experience with this effort will provide a fertile testing ground for new concepts that will contribute to our theoretical knowledge.

* * *

Chapter IV - THE APPALACHIA PROGRAM

In order to understand the nature of the Appalachia Program, it is useful to examine the origins of national concern over the Region. This Chapter examines several independent efforts that developed simultaneously and culminated in the Appalachian Regional Development Act of 1965, which establishes a unique Federal-state body, the Appalachian Regional Commission, and also provides a package of programs exclusively for the Region. We also trace the development of related legislation, such as the Area Development Act and its successor, the Public Works and Economic Development Act of 1965, which apply throughout the nation. The chapter closes with a brief review of the difference between the Appalachia Program and previous federal area development efforts.

* * *

The Appalachian Region has been the subject of continuing interest for at least four decades. A definitive history of the present Appalachia Program might begin with the concept of multi-state planning as it emerged in the 1930's in the establishment of the Tennessee Valley Authority, much of whose area lies within Appalachia. However, it was not until the dramatic post-war decline of employment in coal mining that the nature of the Appalachia problems achieved sufficient recognition to lead to a region-wide action program. Thus, this history begins in the 1950's when, in several parts of the Region, local efforts to promote economic development were undertaken. A variety of activities, including industrial promotion, job training and tourist development, were initi-

ated to combat unemployment and under-employment. It soon became apparent, however, that the problems of the Region were too deep-seated to be dealt with adequately at the local level alone. Despite the sense of urgency which prevailed in many communities, and the resulting "bootstrap" efforts, local resources were not always sufficient to stem continuing economic decline.

The need for a concerted regional approach had become even more evident during the late 1950's, as the Governors of the states in Appalachia began to discuss common problems at informal meetings. In May 1960, nine Governors, at the invitation of Maryland's Millard F. Tawes, met in Annapolis to consider a major report on the problems of the Region.¹ On that occasion, the States of Alabama, Georgia, Kentucky, Maryland, North Carolina, Pennsylvania, Tennessee, Virginia and West Virginia joined together as the Conference of Appalachia Governors (CAG), giving specific recognition to problems common to substantial portions of each of their states. Later, the group was joined by Ohio and South Carolina.

Parallel with the rising concern within Appalachia was the long campaign waged by Senator Paul H. Douglas for the enactment of a Federal program for the rehabilitation of chronically depressed areas. Following his exposure to the problems of labor surplus areas in southern Illinois during a 1954 election campaign, the former University of Chicago economist began a sustained effort for Federal action to aid these areas. His efforts came to fruition in 1961 when the first Federal program to stimulate economic growth in chronic labor-surplus areas, the Area Redevelopment Act, was made law.²

In the summer of 1960, a crucial primary campaign for the Presidential

¹ Grossman and Leven, The Appalachian Region, op. cit.

² Earlier, the Employment Act of 1946 established government responsibility for achieving "maximum (national) employment, production, and purchasing power."

nomination took place in West Virginia, vividly bringing the reality of Appalachia's problems before the nation. As John F. Kennedy and Hubert H. Humphrey traveled through the depressed mining communities of West Virginia, the nation's news media brought the conditions of Appalachia to the attention of the entire nation and left an impression of poverty and despair which was not soon forgotten, particularly by the two Senators, who had previously participated in the discussions of Senator Douglas' legislative efforts.

In December 1960 President-elect Kennedy, fulfilling a pre-election promise to give aid to depressed areas a high priority, appointed a 23 member task force to consider Federal action to stimulate the economies of lagging areas throughout the nation. Submitted the following month, the group's report recommended an "area development" program and identified the Appalachian Region as one area to be assigned a high priority. Legislation resulted from this proposal in May 1961, when the Area Redevelopment Act authorized the expenditure of \$394 million over a four-year period for loans and grants to "depressed areas."

The ARA effort contained four related programs: A \$200 million fund for low interest loans to provide venture capital for businesses willing to locate in depressed areas or for the expansion of businesses already in such areas; a \$100 million fund for loans to state and local governments for the construction or improvement of public facilities (plus an additional \$75 million in grants to communities which could not afford the required local share); a program of assistance to local or state agencies for occupational retraining; and technical assistance to communities to help plan their efforts towards economic revival.

Concern for problems of economic deprivation within an affluent nation led to other significant legislation, especially the Manpower Development and Training Act and the Economic Opportunity Act (the "poverty program"). In the

parallel development of these nationwide programs and the effort to establish a program specifically designed for Appalachia, it became evident that elements dealing principally with poverty and unemployment could be best approached on a nationwide basis. Thus, while the "Appalachia Program" properly includes the EOA, the MDTA, and other legislation related to domestic economic problems, the Appalachian Regional Development Act deals exclusively with the Region.³

Though the Area Redevelopment Act provided assistance to Appalachia, the Conference of Appalachian Governors called for a larger program specifically tailored to the characteristics of the Region. At the urging of the Governors and the ARA, which had been staffing a Federal interagency committee that was working with CAG on a plan for Appalachia, President Kennedy established, in April 1963, a joint federal-state committee, the President's Appalachian Regional Commission (PARC), and appointed Franklin D. Roosevelt, Jr., Under Secretary of Commerce, as Chairman, with the mission of preparing a plan of action for the economic development of Appalachia. In addition to representatives of the Governors of the eight participating states (Georgia, Kentucky, Maryland, North Carolina, Pennsylvania, Tennessee, Virginia, and West Virginia), PARC included a representative of the heads of major Federal agencies, such as the Departments of Commerce, Interior, Agriculture, Treasury, Labor, NASA, Defense TVA and HHFA. Alabama joined the Commission in December 1963 and Ohio joined in April 1964.

The PARC staff conducted a one-year study and made two fullscale tours of the states, consulting with representatives of various segments of Appalachian economic life. In addition, the Center for Regional Economic Studies at the University of Pittsburgh was commissioned to develop basic data for the study.

³ See The Legal Tools, page 67 for brief descriptions of some of these programs.

Along with representatives of the states, the PARC staff worked out the details of a program for Appalachia. Drafts were reviewed and modified in a series of conferences with state and local leadership. Finally, in April 1964, PARC reported to President Johnson presenting detailed recommendations for a coordinated program of Federal and state action for highways, water resources, agriculture, timber, coal, recreation, and human resources in the Region. Three days later, the President sent the Appalachia Regional Development Bill of 1964 to Congress.

During the Congressional hearings, numerous representatives of the states and of various interests were heard. Governor Scranton asked that \$10 million in additional funds be included to cover restoration of mining areas; this provision was approved by the Administration and it was subsequently included. As did some others, Pennsylvania's Governor opposed the creation of an Appalachian Development Corporation, intended to provide capital for local development groups, on the grounds that such an agency would not be subject to adequate control, either by the states or the Federal government. When reported out of committee, the bill was shorn of the corporation provision. Also at this time, six counties of South Carolina were added to the officially designated region. On the Senate floor, an amendment was made deleting the controversial \$17 million program for pastureland improvement. The Appalachian Regional Development Act of 1964 was passed by the Senate, but failure to act on the part of the House of Representatives prevented the program from beginning that year.

After the original submission of the Appalachia Act of 1964, and prior to its ultimate passage in modified form in 1965, President Johnson initiated a Federal Development Planning Committee on Appalachia, directed by John Sweeney, of the United States Department of Commerce, in order to provide interim planning

services for the entire Appalachia effort. A small staff, aided by consultants, began the further refinement of the Appalachia program in three major areas. The first, the development of an organization for administration, was supported by work of the Systems Development Corporation. The second, the development of a strategy for the allocation of funds among programs, areas, and projects was the assignment of the Economic Development Division of Litton Systems, Inc. The third area was the planning for a "development highway system"; major support for this came from Preston and Associates, Limited.⁴

At the beginning of the 1965 Congressional session, President Johnson again presented the Appalachia bill, assigning it high priority. It passed both houses within two months and was signed into law on March 9, 1965. The 1965 bill was different from the 1964 bill in several areas: it had a \$17 million land improvement and erosion control program, replacing the pasture improvement section; there were changes in the timber development section and expansion of the mine reclamation section; the corporation, as noted previously, was dropped, and authority was given the Commission to add appropriate counties in New York State.

Thus, in 1965, the movement which began with the meetings of the Governors of the Appalachia States in the late 1950's, entered a new phase with the enactment of a national law which mobilizes Federal and State resources towards the problems of the Appalachia Region. The months following the passage of the Act have seen a vigorous effort by the states and the Federal government to organize the necessary administrative machinery, the initial step toward accomplishing the objective of the program.

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⁴ The resulting three reports are annotated in the Bibliography, pages 54, 59, and 60.

The Area Redevelopment Act of 1961 committed the Federal government to provide funds for generating economic activity and employment in depressed areas. This act recognized that labor surplus areas are a drag on the economy of the nation, and that abandonment of these areas would mean the loss of considerable investment in social capital, i.e., schools, hospitals, roads. In rejecting the concept of "economic Darwinism," the Congress took the position that the potential for economic growth in chronically depressed areas cannot be fully known and exploited solely by local resources.

The basic weakness of the ARA Program, in the eyes of some observers, lay in the designation of depressed areas. First, the limited resources of any aid program make it impossible to provide effective aid to every community in every depressed area in the nation. Second, the selection of areas did not adequately evaluate their ability to generate long-term economic development. And third, the program was conceived as a means of assisting depressed areas during periods of national prosperity; the long campaign for the legislation finally succeeded in a period of high national unemployment. Some observers have asserted that it could not have succeeded until unemployment reached a level that would make it a national concern.

In contrast to the ARA, the Appalachian Act and portions of the Economic Development Act direct public investment toward "areas where there is significant potential for future growth," thus avoiding spreading the resources available too thinly, or placing them in areas with relatively low potential.

Beyond the immediate effect of this directive lies a significant implication of the Appalachian Act: the recognition of the need for region-wide planning of a public investment program. The act not only recognizes that maximum effect of public investment on economic development can be obtained from carefully

selecting areas for investment but, perhaps more importantly, that public investment for environmental and human resource development, as well, can realize full return only within a framework of comprehensive planning.

In saying that "the pork barrel is gone," President Johnson noted the creation of a unique Federal-state administrative mechanism: The Appalachian Regional Commission. Charged with the supervision and coordination of the Appalachian Program, the Commission consists of the Governor of each of the twelve participating states and a representative of the President. Decisions by the Commission require the affirmative vote of the Federal representative and of a majority of the State members. Within this organizational framework, the individual state is given a relatively free hand in determining the means best suited to achieving economic development within the context of its own needs and resources. Thus, each state is responsible for the direction the Appalachian Program takes within its boundaries. The Appalachian effort provides the state governments with the initiative for leadership, neglected in earlier Federal-state programs.

The Appalachia Act is aimed at those regional factors which have intensified the effects of the forces of economic change. In promoting economic growth, the act seeks to assist the Region in providing those resources needed to compensate for deficiencies in accessibility, health and education, land and water quality. The "Appalachia Program" includes, in addition to the Appalachia Regional Development Act, the "Poverty" Act, the Economic Development Act, the Manpower Development and Training Act, Pennsylvania's Industrial Development Authority (PIDA). and other legislation.⁵ This program is diverse: grants for public facilities for transportation, sanitation, and education; industrial and small business

⁵ The programs are described briefly in The Legal Tools, page 67

loans; grants and other programs for human resources - education, vocational training, health and community action programs; grants and program for natural resources - land and water. The utilization of all of these public resources, along with private investment, will - it is hoped - turn the tide in Appalachia.

Realistically, one must recognize the large, as yet unanswered questions. Are the resources that have been allocated sufficient to meet the need? Will the many and complex problems of the Region yield to the tools that have been assembled? And can the diverse tools be applied in a coordinated fashion with the available administrative mechanisms? And finally, as one experienced observer has noted, the attempt to create a program for Appalachia poses a question "whether Appalachia is an integrated region, whose deep-seated economic problems can be solved by any approach, (that) has not yet been answered."⁶

Today, a significant effort is under way to improve the economy of the Appalachian Region. It is a task which may take a generation to realize, but a beginning has been made. We view with hope the objective presented in the final words of the report by PARC to the President:

"In the years ahead, the Appalachian program will be many programs, unified only by their singleness of focus: the introduction of Appalachia and its people into fully active membership in the American Society."⁷

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⁶ Sar Levitan, Federal Aid to Depressed Areas, The Johns Hopkins Press, Baltimore, 1964.

⁷ A Report by the President's Appalachian Regional Commission, Washington, D.C., 1964.

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For the reader who is interested in pursuing the subject further, we have selected a number of published materials which are generally available. For this reader, and for those who are interested in the nature of this material but do not wish to explore further, we have annotated each item.

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House Report No. 1641

Senate Report No. 1383

89th Congress, First Session (Appalachian Regional Development Act of 1965)

Hearings before the Ad Hoc Subcommittee on Public Works, House of Representatives

Hearings before the Committee on Public Works, U. S. Senate on S3

House Report No. 51

Senate Report No. 13

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Report on the staffing and organization of the Commission in its initial months and a summary of the Appalachia effort to date.

Appalachia: Proceedings of the Appalachian Trade Union Conference (Charleston, W. Va., October 12-14), United Steelworkers of America, Pittsburgh, Pennsylvania, 105 pages.

Sponsored by West Virginia University and several trade unions, the conference explored Appalachia problems and labor involvement. Proceedings include papers by some exceptionally well qualified commentators, including Daniel Moynihan, Michael Harrington, John Sweeney, Jack Conway, John Whisman, and Ernest Nesius.

Anderson, W. H. Locke, "Trickling Down: The Relationship Between Economic Growth and the Extent of Poverty Among American Families." Quarterly Journal of Economics, November 1964, pages 511-524.

Examines the thesis that poverty can be eliminated by economic growth without any special programs. Anderson shows that some groups in society are relatively untouched by increases in the general level of income and concludes that over-all economic growth in the future is less likely to be felt at the poverty end of the income scale than was the case in the past.

Bagdikian, Ben H., In the Midst of Plenty: The Poor in America, Beacon Press, Boston, 1964, 207 pages.

Examines the many aspects of poverty, including that in Appalachia, and encourages more effective use of money for social welfare and vocational education.

Becker, Joseph M., William Haber, and Sar A. Levitan, Programs to Aid the Unemployed in the 1960's, The W. E. Upjohn Institute for Employment Research, Kalamazoo, Michigan, January 1965, 41 pages.

Recommendations for "a reasonably adequate system of aids for the unemployed." The analysis identifies types of unemployment and evaluates various "alleviative" and "curative" programs of aid. The authors conclude that " . . . the central

place of the problems of unemployment in the American economy warrants the allocation of at least 1.4% of the nation's income to the aid of the unemployed." This would entail an increase from the present 1.0%, or from \$4.9 billion to \$6.7 billion annually.

Beers, Howard W., and Catherine P. Heflin, People and Resources in Eastern Kentucky: A Study of a Representative Area in Breathitt, Knott and Perry Counties, Kentucky Agricultural Experiment Station, University of Kentucky, Lexington, May 1947, 59 pages.

A study of the "sociological factors in the use of resources" in a Southern Appalachian area (1940 population: 40,000) with a striking similarity to areas in underdeveloped nations. Emphasis on change, need for change, and complexity of the problem. (See Duerr et al., below.)

Blanco, Cicely, "The Determinants of Interstate Population Movements, Journal of Regional Science, Vol. 5, No. 1, 1963, pages 77-84.

An empirical study of migration trends in the United States concludes that change in regional level of unemployment is the most important determinant of interstate migration. Regional differences in the degree of racial prejudice, education, wage levels or climate do not appear to have a significant influence on the rate of migration.

Bowman, Mary Jean, and W. Warren Haynes, Resources and People in East Kentucky: Problems and Potentials of a Lagging Economy, Johns Hopkins Press, Baltimore, 1963, 436 pages with index.

A study of the economy of Eastern Kentucky, with special attention to geography and natural resources, manufacturing, wood processing, migration, education and,

particularly, the coal industry. Concluding that "The Kentucky Mountains will not develop a significantly expanding economy, no matter what public policies are pursued," Dr. Bowman states that the real challenge for East Kentuckians is the creation of " . . . an environment that has vitality and grace in the face of population decline. The art of creating a good society under such circumstances is one that neither East Kentuckians nor Americans generally have ever tried to develop."

Caudill, Harry M., Night Comes to the Cumberlands: A Biography of a Depressed Area, Atlantic, Little, Brown and Co., Boston, 1962, 395 pages.

An effort by a lawyer, who is also a native Appalachian and a former state legislator, to dramatize the problems of the Southern Appalachian Region and, in particular, the Kentucky Mountains. Advocates the establishment of a Southern Mountain Authority patterned after the lines of TVA. Places major emphasis on local government reform, population resettlement, and development of the region's plentiful water and timber.

Caudill, Harry M., "Misdeal in Appalachia," Atlantic, June 1965, pages 43-47.

Describes the Appalachia Act as a "grim hoax." Attacks the "growth center" concept for favoring the more viable areas within Appalachia at the expense of those most in need. Advocates greater emphasis on development of the region's natural resources.

Committee for Economic Development, Community Economic Development Efforts: Five Case Studies (Supplementary Paper No. 18), New York, December 1964, 349 pages.

Studies of five communities which experienced high rates of unemployment in the 1950's and which made vigorous efforts to find new sources of employment. Concludes that local development efforts can help in alleviating the effect of economic transition but only within the limits of unchangeable locational factors. Of particular interest is the study of Altoona, which discusses the Pennsylvania Industrial Development Authority (PIDA), the nature and effect of migration, and the role of community amenities in economic development.

Committee for Economic Development, Distressed Areas in a Growing Economy, New York, 1961, 80 pages.

A variety of recommendations for Federal, state, and local action to alleviate the problems of pockets of chronic unemployment, with interesting "memoranda of comment, reservation or dissent" by some committee members.

Committee for Economic Development, Raising Low Incomes Through Improved Education, New York, 1965, 48 pages.

Recommendations to improve education, both general and vocational, with the objective - though not the only one - of improving incomes.

Dillon, Conley H., The Area Redevelopment Administration: New Patterns In Developmental Administration, Bureau of Governmental Research, University of Maryland, College Park, 1964, 110 pages.

An analysis of the administrative aspects of ARA, with special emphasis on its relation to other agencies - Federal, state and local. Though differing in many aspects, the Appalachian Regional Commission faces some similar situations. Includes brief review of ARA participation in early phases of Appalachia program.

Duerr, William A., et al., Farms and Forests of Eastern Kentucky in Relation to Population and Income: An Appraisal of Population and Land Resources and Their Potentials, Kentucky Agricultural Experiment Station, University of Kentucky, Lexington, August 1947, 56 pages.

An Analysis of a predominantly rural area ("Quicksand") of 37,000 acres (1940 population: 2,200) concludes that the shift from a subsistence economy to an exchange economy - its hope for economic well-being - can be made if population declines and if, during an interim period, the area receives public subsidies to improve forest land, services to help people find and keep jobs elsewhere and increased aids to education. (See Beers and Heflin, above.)

Eastern Kentucky Regional Planning Commission, Program 60: A Decade of Progress in Eastern Kentucky, Hazard, Kentucky, January 1960, 60 pages.

Early local recognition that the problems of Appalachia must be attacked regionally and that the migration problem makes Appalachia a national concern. Proposes a joint Federal and state program to attack the economic problems of the area. Anticipates many of the features of the present Appalachia Act.

Ewald, William R., Jr., Report of the Appalachian Institute Committee, to the Conference of Appalachian Governors and the President's Appalachian Regional Commission (prepared under contract to the Area Redevelopment Administration), Washington, D.C., October 1964, 153 pages.

A study to evaluate the creation of an Appalachian Institute as a center for long-range research and training for the economic development of the Region. Describes the proposed purposes, organization, and role of the Institute, as well as offering a graphic, capsule description of Appalachia.

Ford, Thomas R. (Editor), The Southern Appalachian Region: A Survey, University of Kentucky Press, Lexington, 1962, 308 pages with index.

The findings of a landmark study of the Southern Appalachians by 22 scholars. Begun in 1958, the research effort included extensive field work and was directed to suggesting practical programs as well as identifying the assets and liabilities of the area. Topics covered include: population, migration, extractive industries and forestry, manufacturing, agriculture, tourism, local government, planning, education, religion, health and welfare services, literature and the folk arts. Emphasis throughout is on developing human resources in addition to physical resources. Rupert Vance's concluding chapter, "The Region's Future: A National Challenge," provides a concise summary.

Friedman, John and William Alonso (Editors), Regional Development and Planning: A Reader, MIT Press, Cambridge, 1964, 722 pages with index.

A comprehensive overview of the current state of the art and science of regional economics, consisting of 35 recently published articles, plus introductory material by the editors and a 184 item bibliography. Organized into four parts (Space and Planning, Location and Spatial Organization, Theory of Regional Development, and National Policy for Regional Development), the readings provide a useful background for the consideration of subnational economic programs. Authors are prominent economists, geographers, historians, political scientists, planners, and administrators.

Friedman, John (special editor), Regional Development and Planning, a special issue of the Journal of the American Institute of Planners, Volume 30, No. 2, May 1964, 95 pages.

A continuation of the Friedman and Alonso reader (see above), with original articles on such topics as: Regional Development in Post-Industrial Society, Spatial Organization Theory as a Basis for Regional Planning, Establishing Goals for Regional Economic Development, The Use of Economic Projections in Planning for Depressed Areas - A Methodological Approach, Transportation Investment and Regional Development, State Development Planning - The California Case.

Galbraith, John Kenneth, The Affluent Society, Houghton Mifflin Company, Boston, 1958, 356 pages and index.

Chapter Thirteen ("The New Position of Poverty") suggests that poverty has changed from a problem of the majority to one of a minority in the last half century because of increased overall output and that the elimination of modern poverty cannot be accomplished by "a general and tolerably well-distributed advance in income." Both case poverty and insular poverty can be remedied through special programs for children and young adults - improved education, health services, nutrition, and recreation. " The myopic preoccupation with production and material investment has diverted our attention from the more urgent questions of how we are employing our resources and, in particular, from the greater need and opportunity for investing in persons."

Grossman, David A. and Melvin Levin, The Appalachian Region: A Preliminary Analysis of Economic and Population Trends in An Eleven State Problem Area, Maryland Department of Economic Development, May 1960, 31 pages.

Prepared as background for the organizational meeting of the Conference of Appalachian Governors in 1960, this is perhaps the first documentation of the character-

istics and problems of the Appalachian region as now conceived. The general findings of this report served as a basis for much of the action leading to the Appalachia Regional Development Act of 1965.

Grossman, David A. and Melvin Levin, "The Appalachian Region: A National Problem Area," Land Economics, May 1961, pages 133-141.

A summary of the authors' study prepared for the CAG. Describes in general terms the problems of Appalachia. Suggests a development program, some of which has been incorporated into the present legislation. "Emphasis should be placed on 'portable' investments in human resources through education, welfare and medical programs," especially in areas which have little or no development potential.

Haber, William, Louis A. Ferman, and James R. Hudson, The Impact of Technological Change, The W. E. Upjohn Institute for Employment Research, Kalamazoo, Michigan, September 1963, 62 pages.

A survey of 17 studies made between 1929 and 1961, dealing with the adjustment to job displacement. Authors conclude that research is needed in four areas: factors associated with the reemployment of displaced workers, the process of jobseeking, patterns of job mobility, and the non-economic consequences of job displacement. It is suggested that individual studies will be more valuable if "conducted under a unified conceptual framework," and that there should be greater distribution of existing unpublished research studies.

Harrington, Michael, The Other America, Penguin, Baltimore, 1963, 186 pages.

A popular book, influential in initiating the present "war on poverty," that presents vivid pictures of the aged, migrant, Negro and other victims of poverty

in the United States. Includes discussions of rural poverty and the problems of migrants who leave areas such as Appalachia.

Harwitz, Mitchell and Arthur P. Hurter, Transportation and the Economy of the Appalachian Region, The Transportation Center, Northwestern University, Evanston, Illinois, August 1964, 101 pages.

Commissioned by the ARA, this study proposes the development of mathematical models with which the potential effect of transportation investment on the economy of Appalachia can be measured. Included is an incisive 20-page analysis of the economic problems of Appalachia.

Horst, Jerald T., "No More Pork Barrel: The Appalachian Approach," The Reporter, March 11, 1965, pages 27-29

Analysis of the Appalachia Act, including a brief history, with emphasis on the political context of the Appalachian program.

Kaufman, Jacob J. and Helmut J. Golatz, Chronic Unemployment in Pennsylvania, Bureau of Business Research, The Pennsylvania State University, University Park, 1960, 115 pages.

Summary of an unpublished study prepared for the Pennsylvania Bureau of Employment Security. Concentrating on five areas of chronic unemployment in the State, the investigators explore regional as well as industrial factors. State and local community programs, such as industrial and community development, training, and retraining are examined for their impact. A brief section discusses the relation between labor mobility, unemployment, and training-retraining.

Levitan, Sar, Federal Aid to Depressed Areas: An Evaluation of the Area Redevelopment Administration, The Johns Hopkins Press, Baltimore, 1964, 258 pages.

A study of the first two years of the administration of the Area Redevelopment Act, plus the six year campaign of Senator Douglas (and others) leading to its enactment. Mention also of MDTA, APW, and early efforts leading to the Appalachia program. Weaknesses of the ARA are identified as: insufficient legislative tools; overly complex administration (in that many agencies were involved); overselling of the program (raising expectations too high and too soon); dilution of funds through excessive designation of areas (over 1,000 counties); difficulty of aiding depressed areas in a period of high unemployment (when law was designed to operate in era of low unemployment). Author stresses the long-term nature of the problem of depressed areas and need for continuing programs.

Levitan, Sar, . Federal Manpower Policies and Programs to Combat Unemployment, The W. E. Upjohn Institute for Employment Research, Kalamazoo, Michigan, February 1964, 41 pages.

Concise analysis of Federal government manpower policies and programs that are aimed at improving the caliber of labor supply and at helping the labor force to adapt to changing demands for skills: vocational education, ARA and MDTA training, and higher education.

Litton Industries, A Preliminary Analysis for An Economic Development Plan for the Appalachian Region, Economic Development Division of Litton Industries. Washington, D.C., November 1965, 284 pages with maps.

"Recommendations for assisting the Appalachian Regional Commission in the establishment of a provisional program for the development of the Appalachian Region." Delineates and describes subregions and identifies 43 areas of growth potential.

Meyers, Frederic (editor), Area Redevelopment Policies in Britain and the Countries of the Common Market, prepared for the Area Redevelopment Administration, U. S. Department of Commerce, January 1965, 481 pages.

Essays by native scholars on regional development policies in the six Common Market countries and the United Kingdom and on the role of the European Economic Community and the Coal and Steel Community and a brief introduction assessing the studies from an American viewpoint. Common to all the studies is an awareness of the difficulties of implementing economic development policies in the face of political and administrative realities. Though the political and cultural characteristics of many of these countries are quite different than those of the United States, a study of foreign area development experiences can be of benefit in the formulation and administration of programs to suit the American situation.

Mueller, Eva, and Jay Schmiedeskamp, Persistent Unemployment, 1957-1961, The W. E. Upjohn Institute for Employment Research, Kalamazoo, Michigan, November 1962, 33 pages.

A study of the characteristics of the unemployed throughout the nation during a recent four-year period, including the 1960-1961 recession, during which more than one out of four heads of families were unemployed for over six months. Points up the relationships between unemployment and occupation, education, and geographic location.

Oberdorfer, Don, "The Proliferating Appalachias," The Reporter, September 9, 1965, 3 pages.

Interrelation of the passage of the Appalachia and the Economic Development Acts. Possible organization under EDA of "Regional Action Planning Commission" for the Ozarks, Conerico (upper Great Lakes), New England, Great Plains (Dakotas, Nebraska, etc.).

Montana), and Four Corners (parts of Colorado, New Mexico, Arizona, Utah) and danger of "pork barrel" reaction in Congress.

Organisation for Economic Co-operation and Development, Policies to Aid Depressed Areas in Member Countries of O.E.C.D., Washington, May 1965, 57 pages.

A valuable comparative analysis of the practice (and theory) of aid to depressed areas in 13 nations, including the United States. Topics discussed: causes of area depression; criteria for area designation; administrative organization of area development programs; infrastructure, manpower, and welfare policies. The final section deals with the evaluation of the effectiveness of area development programs: difficulties of evaluation, the criteria for evaluation, and types of reporting systems employed.

Pennsylvania and the Appalachian Program, Department of Commerce, Commonwealth of Pennsylvania, May 24, 1965, 12 pages.

A brief statement on Appalachia and the Appalachian Regional Development Act of 1965, including an estimated breakdown of Appalachia funds.

Perloff, Harvey S., Edgar S. Dunn, Jr., Eric E. Lampard, and Richard F. Muth, Regions, Resources and Economic Growth, Johns Hopkins Press, Baltimore, 1960, 716 pages with appendices and index.

A definitive study of subnational economic growth in the United States from 1870 onward. In addition to being a work of substantial theoretical importance, this book contributes to the discussion of policies for ameliorating regional economic problems, particularly in the final chapters, "Migration and Income," and "Regions and Income: A Summary."

Perloff, Harvey S. with Vera W. Dodds, How A Region Grows: Area Development in the U. S. Economy, Committee for Economic Development, Supplementary Paper No. 17, March 1963, 147 pages with charts.

A condensed version of "Regions, Resources and Economic Growth" (see above), introducing more recent data. Shift analysis, introduced in its full form in the original volume, is lucidly presented. Useful for those interested in the subject who are not prepared to tackle the larger work.

Pfouts, R. W. (Editor), The Techniques of Urban Economic Analysis, Chandler-Davis, West Trenton, N.J., 1960, 408 pages.

A selection of articles dealing with the economic base. The editor's "epilogue" suggests that what is needed is empirical evidence that tests the validity of the theories presented.

Pittsburgh Regional Planning Association, Economic Study of the Pittsburgh Region (in four volumes), University of Pittsburgh Press, 1963-1965.

Volume One, Region in Transition, 462 pages
Volume Two, Portrait of a Region, 203 pages
Volume Three, Region With a Future, 313 pages
Volume Four, At the Forks, 203 pages

A landmark study of the six-county Pittsburgh Region, which contains almost 40 per cent of the people of Appalachia Pennsylvania. An examination of this analysis suggests that the solution to the economic problems of the Pittsburgh Region are essential to the solution of the problems of Appalachia Pennsylvania. Financed jointly by the Commonwealth and the Ford Foundation and directed by Edgar M. Hoover of the University of Pittsburgh.

President's Appalachian Regional Commission, Appalachia: A Report By the President's Appalachian Regional Commission, Washington, D.C., 1964, 93 pages.

The recommendations for an action program for the economic development of the Region, submitted by PARC to the President. A concise summary of the problems, suggested programs for highways, water resources and development, natural and human resources, community and area development and proposals for financing and administering the program. Informative charts and tables. The publication, written in simple, non-technical language, is a "pocketbook guide" to the 1964 Appalachia Bill.

President's Appalachian Regional Commission, reports of the study teams

Report of the Human Resources Team, October 1963, 20 pages

Report on the Water Resources of Appalachia, October 1963, 53 pages

Report of the Subcommittee on Highways, October 1963, 19 pages

Report of the Recreation Subcommittee, September 1963, 86 pages

Report of the Power Sub-team, September 1963, 21 pages

Coal and Other Minerals in Appalachia, September 1963, 49 pages

The Appalachian Regions Agriculture, Its Problems and Potentials For Development, September 1963, 109 pages

Appalachia's Forest Resources - Timber, October 1963, 118 pages

Report of the Subcommittee on Education and the Development of Human Resources in the Appalachia Area, September 1963, 33 pages

A Proposal for an Appalachian Development Organization, October 1963, 15 pages

President's Appalachian Regional Commission, PARC Staff and Team Summaries and Recommendations, Washington, D.C., October 1963, 73 pages.

Eleven papers prepared by PARC "study teams and subteams," consisting of experts from all levels of government. These papers, plus the work of the Center for Regional Economic Studies at the University of Pittsburgh, provided the background for Appalachia: A Report by the President's Appalachian Regional Commission.

Preston, E. S., et al., Appalachia Highway Planning Report, prepared for the Appalachian Regional Commission, Washington, D.C., July 1965.

Based upon requests made by the individual states, this document recommends corridors for development highways in Appalachia, together with preliminary cost estimates.

Shorr, Alvin L., Slums and Social Insecurity, U. S. Department of Health, Education and Welfare, Washington, 1963, 168 pages.

Housing as an element within the poverty problem is explored in this survey of recent research on the relationship of the individual to his immediate physical environment. The author, a family life specialist with the Social Security Administration, concludes that the housing environment, especially among the poor, plays a significant role in the individual's ability to seek a more satisfying life. "The natural forces - social, economic and physical - that are at work in the provision of housing are not calculated to help people out of poverty. In many respects, they operate in concert to keep people poor."

Southwestern Pennsylvania Regional Planning Commission, State of the Region Report, 1964, (includes State of the Region Message), Pittsburgh, 1964, 72 pages.

A survey of current economic, social and physical conditions of the Southwestern Pennsylvania Region, together with an assessment of the Region's assets

and liabilities, largely derived from the Economic Study of the Pittsburgh Region (see above).

Systems Development Corporation, A Model for an Appalachian Regional Commission: A Report to the Area Redevelopment Administration, U. S. Department of Commerce, November 1964, 176 pages.

Commissioned by the ARA at the request of PARC, this report makes recommendations on the organization, administration, and procedures for an Appalachian Regional Commission.

Tennessee State Planning Office, Appalachian Regional Development Act of 1965: A Rationale and Model for its Application in Tennessee, Department of Finance and Administration, Nashville, April 1965, 108 pages. Maps and tables.

An identification of Tennessee's Appalachian needs and the proposal of a basis for the allocation of Appalachia programs, areally and functionally. In two parts, the report first analyzes the Appalachian program as it pertains to Tennessee and then develops a "Model for Regional and Project Allocation." This latter section includes a complex system of identifying areas of significant potential for growth and determining the allocation of programs.

Tiebout, Charles M., The Community Economic Base Study, Committee for Economic Development, New York, 1962, 84 pages.

A concise statement directed to laymen on the purposes and methods of conducting a study of the economy of a community.

U. S. Department of Agriculture, An Economic Survey of the Appalachian Region, with Special Reference to Agriculture, Agricultural Economics Report No. 69, Economic Research Service, USDA, cooperating with West Virginia Agricultural Experiment Station, West Virginia University, April 1965, 37 pages, plus 41 pages of appendices.

A presentation and analysis of a wide variety of data on economic trends in Appalachia, with special reference to agriculture. Because Appalachian topography is generally unsuited to mechanized farming, raising livestock and forage crops are the principal farm activities. Suggestions are made for appropriate research on the economy of Appalachia.

United States Department of Labor, Manpower Implication of Automation, papers presented by the U. S. Department of Labor at the OECD North American Regional Conference (December 8-10, 1964) Manpower Administration, Office of Manpower, Automation and Training, Washington, D.C., September 1965, 83 pages.

Five papers concerned with evaluating the impact of advancing technology:

"Technological change, productivity, and employment in the United States,"

"The pace of technological change and the factors affecting it," "Effects

of technological change on occupations, employment patterns in the United

States," "Effects of technological change on the nature of jobs," "The labor

force adjustment of workers affected by technological change," and "The impli-

cations for government-sponsored training programs in the U.S.A."

United States Department of Labor, Technological Trends in 36 American Industries, Bureau of Labor Statistics, Department of Labor, 1964, Washington, D.C., 105 pages.

Recent significant technological developments likely to have an important effect on labor requirements during the next 10 years, and assessments of employment

change for the future. Employment, output, output per man hour, and expenditures on plant and equipment are graphed for 1947 to 1962 for significant industries.

Woodrow Wilson School of Public and International Affairs, Report of the Conference on Appalachian Development, Princeton University, Princeton, New Jersey, March 1964, 88 pages.

Papers on Appalachia problems and PARC's proposals by graduate students, plus comments by experts. Among the participants: Roosevelt, Sweeney, Whisman, Bowman, Nesius, Ford, Klein, Bridwell, and Baum (the last three headed PARC "subteams"). Organized in six sections: public welfare, manpower development, social overhead development, land and resources development, industrial development, and the organization of assistance. Includes an annotated bibliography of 228 items.

Wrigley, Robert L., "Area Redevelopment Programs for Economic Growth," Journal of the American Institute of Planners, November 1964, pages 287-295.

This critical evaluation of the ARA program concludes that the emphasis on county units severely limited the effect of the program by spreading its funds and personnel too thinly and recommends grouping six or more counties in "redevelopment districts," which include counties with growth potential, and providing direct assistance in organizing planning and action groups.

* * *

SELECTED DATA

From

Appalachia: A Report by the President's Appalachian Regional Commission 1964

TABLE C-1.—Median Family Income in Appalachian Metropolitan Areas, 1960

Standard metropolitan statistical area	Median income	Standard metropolitan statistical area	Median income
Altoona.....	5,141	Huntsville.....	5,426
Asheville.....	4,419	Johnstown.....	4,574
Birmingham.....	5,103	Knoxville.....	4,908
Charleston.....	5,862	Pittsburgh.....	5,954
Chattanooga.....	4,958	Scranton.....	4,896
Erie.....	5,736	Tuscaloosa.....	1,274
Gadsden.....	4,387	Wheeling.....	5,167
Huntington-Ashland.....	4,977	Wilkes-Barre-Hazleton.....	4,777
METROPOLITAN APPALACHIA ¹			5,287
METROPOLITAN UNITED STATES.....			6,324

¹ The median family income for metropolitan Appalachia is a population-weighted average of the median incomes on this table.

Source: Compiled from U.S. Bureau of the Census Reports, 1960.

TABLE C-4.—Distribution of Family Income, 1960, Appalachia and the Balance of United States

State or region	All families	Percent families with income:	
		Less than \$3,000	\$10,000 and over
Appalachian portion of:			
Alabama.....	513,921	36.7	8.3
Georgia.....	170,598	37.3	5.1
Kentucky.....	209,007	57.3	3.6
Maryland.....	51,143	24.2	9.2
North Carolina.....	194,729	40.2	5.3
Ohio.....	187,264	29.5	7.6
Pennsylvania.....	1,530,250	19.5	11.4
Tennessee.....	405,606	39.0	7.2
Virginia.....	137,518	42.5	5.0
West Virginia.....	462,078	32.6	8.4
TOTAL APPALACHIA.....	3,862,114	30.7	8.7
Metropolitan.....	1,591,432	20.8	12.3
Nonmetropolitan.....	2,270,682	37.5	6.2
BALANCE OF UNITED STATES.....	41,266,279	20.5	15.6
Metropolitan.....	27,028,958	14.8	19.2
Nonmetropolitan.....	14,237,321	31.3	8.9

Source: Compiled from U.S. Bureau of the Census Reports, 1960.

TABLE C-5.—Per Capita Income, Appalachia and Balance of United States, 1960

State	Appalachian portion	Rest of State	Total State
Alabama.....	1,254	1,231	1,246
Georgia.....	1,194	1,393	1,359
Kentucky.....	841	1,519	1,321
Maryland.....	1,589	2,031	2,002
North Carolina.....	1,169	1,269	1,251
Ohio.....	1,396	2,003	1,956
Pennsylvania.....	1,680	2,047	1,854
Tennessee.....	1,257	1,369	1,318
Virginia.....	1,008	1,698	1,598
West Virginia.....	1,378	1,378	1,378
TOTAL APPALACHIA.....			1,405
BALANCE OF UNITED STATES.....			1,901

Source: Compiled from U.S. Bureau of the Census Reports, 1960.

TABLE C-8.—*Employment in Major Industry Groups for the Appalachian Region, 1950 and 1960*

Industry ¹	Employment		Percent change
	1950	1960	
Agriculture.....	706,250	335,742	-52.5
Mining.....	462,341	191,255	-58.6
Construction.....	270,692	286,060	+5.7
Manufacturing.....	1,394,302	1,592,135	+14.2
Services.....	2,179,430	2,534,138	+16.3
ALL INDUSTRIES.....	5,013,015	4,939,330	-1.5

Comparable percent change figures for the balance of the United States as follows:

Agriculture.....	-35.6	Construction.....	+10.8
Mining.....	-1.0	Services.....	+28.1
Manufacturing.....	+20.6	ALL INDUSTRIES.....	+17.1

TABLE C-9.—*Employment in Major Industry Groups, Appalachia, by State, 1950 and 1960*

(Employment in thousands)

Industry	Alabama		Georgia		Kentucky	
	1950	1960	1950	1960	1950	1960
Agriculture.....	141.9	55.7	53.1	21.1	92.5	40.3
Mining.....	26.9	10.9	1.6	1.6	58.1	26.9
Construction.....	34.7	46.1	11.9	16.9	12.5	11.4
Manufacturing.....	169.1	202.6	77.6	100.1	23.1	24.2
Services.....	290.3	374.1	74.4	101.2	93.6	92.7
ALL INDUSTRIES.....	652.9	689.4	218.5	240.8	279.9	195.5

Industry	Maryland		North Carolina		Ohio	
	1950	1960	1950	1960	1950	1960
Agriculture.....	5.2	3.6	65.0	30.8	43.5	20.7
Mining.....	1.5	0.7	1.5	1.8	12.2	5.8
Construction.....	3.5	4.1	15.3	17.5	11.8	14.7
Manufacturing.....	20.0	20.4	77.4	103.7	47.1	64.4
Services.....	34.1	37.7	94.7	115.1	96.2	116.5
ALL INDUSTRIES.....	64.4	66.5	253.9	268.9	210.8	222.1

Industry	Pennsylvania		Tennessee	
	1950	1960	1950	1960
Agriculture.....	100.3	63.5	104.1	55.6
Mining.....	186.6	60.0	12.8	7.3
Construction.....	103.5	100.4	35.6	36.3
Manufacturing.....	712.5	744.2	128.3	160.0
Services.....	937.3	1,053.6	218.3	272.8
ALL INDUSTRIES.....	2,040.3	2,021.7	499.1	538.1

Industry	Virginia		West Virginia	
	1950	1960	1950	1960
Agriculture.....	38.9	20.7	61.8	23.9
Mining.....	26.8	17.1	134.3	59.1
Construction.....	9.6	9.4	32.1	29.2
Manufacturing.....	30.6	40.8	118.5	125.7
Services.....	58.6	69.4	282.0	301.1
ALL INDUSTRIES.....	164.5	157.4	628.8	539.1

TABLE C-10.—*Percent Change in Employment in Manufacturing Industries for Appalachia and United States, 1950-60*

	Appalachian region	Total United States
Furniture, lumber and wood products.....	-12.5	-10.8
Primary metal industries.....	-0.8	3.4
Fabricated metals industries.....	69.3	52.5
Electric machine equipment and supplies.....	42.5	72.7
Machinery, except electrical.....	25.6	25.1
Motor vehicles and motor vehicle equipment.....	67.3	-1.7
Transportation equipment (except motor vehicles).....	133.3	100.8
Other durable goods.....	6.5	27.1
Food and kindred products.....	39.1	23.0
Apparel and other fabricated textile products.....	41.0	8.7
Printing, publishing and allied products.....	38.9	32.2
Chemical and allied products.....	34.0	35.6
Other nondurable goods.....	13.0	5.9
Textile mill products.....	-10.0	-22.8

Source: Compiled from U.S. Bureau of the Census published reports.

TABLE C-12.—*Population of Appalachia, by State, and Balance of United States, by type of Residence, 1950 and 1960*

Appalachian portion of—	Total population	Percent of total population			
		Urban	Rural		
			Total	Non-farm	Farm
Alabama:					
1960.....	2,077,496	54.9	45.1	33.6	11.5
1950.....	1,954,649	45.1	54.9	25.4	29.5
Georgia:					
1960.....	675,024	27.8	72.2	60.1	12.1
1950.....	619,766	23.3	76.7	36.9	39.8
Kentucky:					
1960.....	886,113	17.9	82.1	59.2	22.9
1950.....	1,041,242	15.0	85.0	39.9	45.1
Maryland:					
1960.....	195,808	45.3	54.7	48.3	6.4
1950.....	189,701	44.4	55.6	43.8	11.8
North Carolina:					
1960.....	776,828	23.0	77.0	58.3	18.7
1950.....	762,229	21.2	78.8	37.4	41.4
Ohio:					
1960.....	743,860	34.9	65.1	52.6	12.5
1950.....	676,715	32.6	67.4	39.0	28.4
Pennsylvania:					
1960.....	5,932,025	63.0	37.0	33.2	3.8
1950.....	5,784,652	62.6	37.3	29.1	8.2
Tennessee:					
1960.....	1,607,689	42.6	57.4	40.9	16.5
1950.....	1,529,762	37.7	62.3	30.5	31.8
Virginia:					
1960.....	572,950	23.0	77.0	58.8	18.2
1950.....	599,028	18.7	81.2	46.5	34.7
West Virginia:					
1960.....	1,860,421	38.2	61.8	55.3	6.5
1950.....	2,005,552	34.6	65.4	44.9	20.5
TOTAL APPALACHIA:					
1960.....	15,328,214	47.5	52.5	42.8	9.7
1950.....	15,163,296	43.9	56.1	33.6	22.4
BALANCE OF UNITED STATES:					
1960.....	163,997,457	72.0	28.0	20.8	7.3
1950*.....	136,162,502	66.2	33.8	19.3	14.4

TABLE C-13.—*Percent Change in Population by Type of Residence, Appalachia and Balance of United States, 1950 to 1960*

State or region	Urban	Rural		
		Total	Nonfarm	Farm
Appalachian portion of:				
Alabama.....	+29.5	-12.8	+40.3	-58.6
Georgia.....	+29.8	+2.6	+77.5	-67.0
Kentucky.....	+1.6	-17.8	+26.2	-56.8
Maryland.....	+5.2	+1.6	+14.0	-44.3
North Carolina.....	+10.7	-0.4	+58.9	-55.0
Ohio.....	+17.5	+6.2	+48.3	-51.6
Pennsylvania.....	+3.1	+1.6	+17.1	-53.3
Tennessee.....	+18.8	-3.2	+41.1	-45.6
Virginia.....	+17.4	-9.4	+20.9	-49.9
West Virginia.....	+2.4	-12.3	+14.2	-70.6
APPALACHIA.....	+9.4	-5.4	+28.6	-56.3
BALANCE OF UNITED STATES.....	+30.8	(*)	+29.3	-39.1

TABLE C-14.—*Educational Levels of Persons 25 Years Old and Over for Appalachia, by States and Balance of United States, Metropolitan and Nonmetropolitan, 1960*

State or region	Persons 25 years old and over	Percent completed		
		Less than 5 years schooling	4 years of high school or more	4 years of college or more
Appalachian portion of—				
Alabama.....	1,083,026	15.0	30.1	5.8
Georgia.....	351,144	17.7	22.8	3.7
Kentucky.....	434,175	22.1	17.4	3.0
Maryland.....	111,969	7.7	31.9	4.4
North Carolina.....	414,301	16.3	28.8	5.0
Ohio.....	407,444	7.1	33.3	4.0
Pennsylvania.....	3,443,354	7.2	38.4	5.7
Tennessee.....	857,720	15.9	28.5	5.5
Virginia.....	293,481	19.2	23.6	4.0
West Virginia.....	999,731	11.0	30.6	5.2
TOTAL APPALACHIA.....	8,396,345	11.6	32.3	5.2
Metropolitan.....	3,660,966	9.1	38.2	6.5
Nonmetropolitan.....	4,735,379	13.4	28.0	4.3
BALANCE OF UNITED STATES.....	91,011,739	8.0	41.8	7.9
Metropolitan.....	60,251,979	6.9	44.6	9.0
Nonmetropolitan.....	30,789,760	10.3	36.5	5.8

Source: Compiled from U.S. Bureau of Census published reports

TABLE C-18.—Condition of Housing in the Appalachian Region, and the balance of United States—1960

[Number in thousands]

Area	Condition of housing						Total
	Sound		Deterlorating		Dilapidated		
	Number	Percent	Number	Percent	Number	Percent	
APPALACHIAN REGION ¹	3,418	73.4	888	19.1	350	7.5	4,655
Urban.....	1,898	80.8	339	14.4	112	4.8	2,348
Rural.....	1,520	65.9	549	23.8	238	10.3	2,307
Nonfarm.....	1,302	66.3	449	22.9	205	10.5	1,956
Farm.....	218	62.1	100	28.6	33	9.4	351
BALANCE OF UNITED STATES:	43,933	81.9	7,188	13.4	2,542	4.7	53,663
Urban.....	32,901	85.7	4,228	11.0	1,279	3.3	38,409
Rural.....	11,031	72.3	2,960	19.4	1,263	8.3	15,254
Nonfarm.....	8,763	72.8	2,242	18.7	1,034	8.6	12,039
Farm.....	2,268	70.6	718	22.3	229	7.1	3,215

¹ Excludes Appalachian Ohio.

Source: Compiled from U.S. Bureau of the Census published reports.

TABLE C-21.—Percent Change in Total Population and by Select Age Groups, Appalachia and Balance of United States, 1950 to 1960

State or region	Total	Under 18 years	18-64 years	65 years and over
Appalachian portion of:				
Alabama.....	6.3	9.4	0.9	36.4
Metropolitan.....	16.9	29.1	7.0	47.2
Nonmetropolitan.....	-1.4	-3.0	-4.0	29.4
Georgia.....	8.9	8.5	6.4	32.2
Metropolitan.....	25.9	30.7	20.2	41.6
Nonmetropolitan.....	6.7	5.7	4.5	31.0
Kentucky.....	-14.9	-15.7	-18.9	25.5
Metropolitan.....	4.4	9.4	-1.8	33.1
Nonmetropolitan.....	-15.9	-16.8	-19.9	25.0
Maryland ¹	3.2	9.2	-2.9	28.1
North Carolina.....	1.9	-1.9	0.5	36.1
Metropolitan.....	4.0	10.0	-3.5	47.6
Nonmetropolitan.....	1.4	-3.8	1.4	33.6
Ohio.....	9.9	20.7	3.1	12.3
Metropolitan.....	1.8	10.3	-5.4	14.7
Nonmetropolitan.....	12.0	23.3	5.3	11.8
Pennsylvania.....	2.5	15.4	-6.9	24.7
Metropolitan.....	4.1	19.8	-5.6	30.1
Nonmetropolitan.....	-0.2	9.2	-7.4	17.4
Tennessee.....	5.1	4.8	2.0	33.3
Metropolitan.....	11.1	19.0	3.4	42.3
Nonmetropolitan.....	1.8	-2.2	1.2	28.9
Virginia ¹	-4.4	-7.9	-5.1	25.1
West Virginia.....	-7.2	-5.1	-12.6	24.5
Metropolitan.....	3.4	11.1	-4.1	32.3
Nonmetropolitan.....	-11.3	-10.5	-16.1	21.7
APPALACHIA.....	1.1	5.8	-5.1	26.7
Metropolitan.....	6.6	19.9	-3.1	33.2
Nonmetropolitan.....	-2.4	-1.5	-6.4	22.7
BALANCE OF UNITED STATES.....	20.4	40.9	8.6	32.3

¹ There are no metropolitan counties in the Appalachian portions of Maryland and Virginia.

Source: Compiled from U.S. Bureau of Census published reports.

TABLE C-22.—Net Migration From Appalachia by State, 1950-60

State	Net migration, 1950-60	
	Total State	Appalachian portion of State
Alabama.....	-368,442	-191,827
Georgia.....	-213,569	-53,656
Kentucky.....	-389,730	-367,333
Maryland.....	+319,978	-14,751
North Carolina.....	-327,987	-106,723
Ohio.....	+408,576	-18,068
Pennsylvania.....	-475,286	-820,112
Tennessee.....	-272,605	-172,426
Virginia.....	+14,722	-113,079
West Virginia.....	-446,711	-446,711
Total.....	-1,751,054	-2,013,635

Source: Compiled from U.S. Bureau of the Census published reports.

THE LEGAL TOOLS

Because even a brief description of all the legal tools that could be logically identified as part of the Appalachia Program would fill several volumes, the following nine Federal and State programs have been selected as being the most significant:

- The Appalachian Regional Development Act
- Economic Opportunity Act
- Higher Education Act
- Elementary and Secondary Education Act
- Housing Act
- Manpower Development and Training Act
- Public Works and Economic Development Act
- Vocational Education Act
- Pennsylvania Industrial Development Authority Act

The Appalachian Regional Development Act¹

The Appalachian Regional Development Act of 1965 authorizes \$1.1 billion to be utilized in 386 counties of the 13 Appalachian states. "It is the purpose of this Act to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and state efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis." To achieve this objective, the Act provides a large, heterogeneous set of tools.

Title I establishes the administrative machinery of the program, an "Appalachian Regional Commission," composed of one Federal member appointed by

¹ See page 77 for the complete text of the Act.

the President, and the Governor (or his representative) from each of the participating states.

Decisions of the Commission require the approval of the Federal representative and a majority of the state representatives. To aid in performing its administration, research, and planning functions, the Commission is authorized to maintain a professional staff.

The tools of the Appalachia Act, identified in Title II, consist of six new programs designed specifically for Appalachia, as well as modifications of several existing Federal programs to more adequately meet the needs of the region.

The largest of the six new programs is (1) a five-year, \$840 million authorization for road building. In an effort to alleviate the region's physical isolation, 2,350 miles of "development highways," to be built to primary road standards, are authorized, along with 1,000 miles of local access roads. Each facility will be recommended by the Commission in consultation with the State Highways Departments, final approval resting with the Secretary of Commerce. The development highway, along with the Interstate and other Federally aided systems, are to provide a basic highway network for the region.

Other new programs are (2) the construction and operation of multi-county demonstration health facilities including hospitals, and diagnostic and treatment centers; (3) a land stabilization program to control and prevent erosion and sediment damages through grants to individual land owners; (4) a loan program to establish timber development organizations aimed at carrying out programs of timber improvement; (5) a program of mine area restoration, including sealing and filling of abandoned mine voids, reclamation and rehabilitation of strip mine areas, and extinguishing underground mine fires; and (6) a study of the develop-

ment, control and efficient use of the region's water resources to be carried out by the Corps of Army Engineers.

<u>Funds Authorized for New Programs</u>	<u>(Millions)</u>
Highways (five years)	\$ 840
Demonstration Health Facilities (two years)	69
Mine Area Restoration (two years)	36.5
Land Stabilization (two years)	17
Vocational Schools	16
Sewage Treatment Plants	6
Local Development Districts & Research	5.5
Timber Development Organizations (two years)	5
Water Resource Survey (two years)	5

In addition, a special fund of \$90 million has been established to increase grants up to 80% of costs under other existing Federal programs. Included are programs authorized for the acquisition of land and construction or equipment of facilities (not including highways), small watershed projects, hospitals, libraries, airports, educational TV facilities, higher education facilities and projects authorized under the National Defense Education Act and the Land and Water Conservation Fund Act of 1965.

Title III provides for the establishment of "local development districts," and grants for their administration and research and demonstration projects.

Title IV defines the Appalachian Region by listing the counties involved.

Perhaps the most innovational aspect of the Act appears in Section 2: "The public investments made in the region under this Act shall be concentrated in areas where there is significant potential for future growth and where the expected return on public dollars invested will be the greatest."

As well as seeking to concentrate the efforts of the program efficiently, this provision recognizes the trend toward increasing concentration of economic development and population growth in urban areas.

Economic Opportunity Act

The Economic Opportunity Act of 1964 authorizes ten programs designed to make a coordinated attack on the multiple causes and effects of poverty, including illiteracy, unemployment and lack of public services. Key sections of this Act authorize a Job Corps to provide work experience and training to youths in conservation camps and urban and rural residential centers; a work-training program to employ youths locally; a community action program, under which a variety of local efforts to alleviate poverty in the community are assisted; and a series of programs to assist the rural poor. Also established is a domestic peace corps, VISTA, and a program of aid for small businesses. A training program is included for the training of heads of families receiving public assistance. The 1965 amendments to the program enlarge the community action phase of the program and include new programs for family planning, debt counseling, and consumer education. Also added are grants for local programs designed to employ the chronically unemployed and to rehabilitate substandard housing. Throughout, significant emphasis has been placed by Congress on local program design and participation by those for whom the poverty program is intended.

Higher Education Act

The Higher Education Act of 1965 represents a major Federal effort to strengthen the educational resources of colleges and universities and to provide financial aid for students in post-secondary and higher education. Of particular relevance to the Appalachia Program is Title I, which authorizes aid to college and university community service programs directed to housing, poverty, employment, transportation, health and other local problems. The Act also includes a federal scholarship program for general undergraduate education (the first in U. S. history); insurance on loans to college students; graduate fellowships for elementary and high school teachers; aid for college libraries; and a Teacher Corps to improve education in impoverished areas.

Elementary and Secondary Education Act

The major emphasis of the 1965 Education Act is aid for areas of low income. Under Title I, a three-year program of grants to states is authorized (\$1.6 billion for the first year) to be allotted to school districts with large numbers of children from families with annual incomes under \$2,000, or on relief, to be spent primarily for these deprived children. Other programs under this Act include grants for library and text books, for community educational centers, and for research training.

Housing Act

The post-war landmark in housing legislation was the Housing Act of 1949. It pronounced national housing policy, provided for an annual housing census, revived and broadened the public housing program, established the urban renewal program and set up a large rural housing program. Since 1949, the Act

has been amended to meet new and special needs, such as aid for college housing (1950), special aid for public works in small communities (1955), sales housing for the elderly (1956) and rental housing for the elderly (1959). The 1961 Housing Act initiated programs for aid to middle-income housing, mass transportation and public open space acquisition, and substantially expanded existing programs in urban renewal and low income housing. The 1964 and 1965 Housing Acts contained several new programs; construction of low-cost rental housing for domestic farm workers, low interest loans for rehabilitation of structures in urban renewal areas, aid for "new towns", for acquisition and development of land where housing is to be built, for scattered public housing of low income families, and a program of rent supplements. The 1965 Act also allows all cities within economically depressed areas to receive 75% grants for urban renewal projects.

Manpower Development and Training Act

In contrast to Federal programs directed to improve the economy of areas, the Manpower Development and Training Act of 1962 is aimed specifically at individuals. Designed to train workers to equip themselves to fill available jobs, the objective of the Act is both to rehabilitate a portion of the nation's unemployed and to alleviate the scarcity of trained personnel in certain industries. It is oriented chiefly towards experienced workers who lose their jobs because of technological change or shifts in the economic structure. The 1965 amendments to MDTA extended the original bill for three years and provided basic literacy training for unemployed illiterates and help to jobless youth not included in the original Act.

Most of the Title I programs of MDTA, aimed at determining manpower requirements and the development and utilization of manpower, are on a temporary,

experimental basis and are fully financed by the Federal government. The 1965 amendments authorized expanded Federal participation in demonstration projects on increasing mobility of unemployed workers and in experimental programs for people with special unemployment problems. Development of jobs and training for jobs in the service sectors was also included in the amendment.

The training programs under Title II of MDTA provide for basic allowances to be paid to unemployed heads of families. Under the 1965 amendments, the training period was extended from 52 to 104 weeks and the earlier restrictions on allowance payments were eased. The training program will continue to be financed by the Federal government on a 100 per cent basis until July 1966, when the states will begin sharing the costs. The 1965 amendment also transferred to Title II the training provisions of the Area Redevelopment Act.

Public Works and Economic Development Act

The Public Works and Economic Development Act of 1965 is designed to promote new industry and new jobs in areas of "substantial and persistent unemployment and underemployment in economically distressed areas and regions." The Act combines and expands two former federal programs: the area redevelopment program (ARA), and the accelerated public works program (APWP). Essentially, EDA is a further attempt, based upon the experience of the earlier programs, to channel Federal grants and loans for public facilities and industrial development into designated depressed areas. The new program, with a total first year authorization of \$760 million, adopts the concept of areas of "growth potential" first enunciated in the Appalachia Act.

More than two thirds of the authorized funds - \$500 million annually for four years - will be used for public works and development facility grants. Loans up to 100% are authorized for public works projects in areas where funds are not otherwise available. The Act provides, in designated redevelopment areas, long term loans to businesses establishing or expanding plants when private financing is not available. Also authorized are a technical assistance program on area development (including supplementary "701" planning grants under the Housing Act of 1962 and the Federal Aid Highway Act of 1964) and the establishment of "Regional Action Commissions" similar to the Appalachian Regional Commission, to promote multi-state and multi-county planning for economic development.

Vocational Education Act

Beginning with the Smith-Hughes Act of 1917 and expanded by the George-Barden Act of 1946, the Federal Government has provided financial assistance to states for the establishment of programs of vocational training and vocational guidance. The Vocational Education Act of 1963 expands the Federal programs to provide a much broader coverage for vocational training and retraining, with grants up to 50%. The principal innovations of the 1963 Act lie primarily in the expanded definition of "vocational education" (training in almost any field up to but not including professional or college level training) and the definition of those eligible for assistance (workers of all ages, at all levels and in all fields).

Pennsylvania Industrial Development Authority Act

The Pennsylvania Industrial Development Authority (PIDA) was created by the State Legislature in 1956, and broadened in scope in 1963, to meet the problems of unemployment and to promote industrial, manufacturing, and research development

in the Commonwealth. An agency of the Commonwealth, it provides second mortgage building loans to community-sponsored, non-profit industrial development corporations in areas of high and persistent unemployment.

The Authority may lend up to 40 per cent of the cost of a project, or 45 per cent if for research and development projects. The community organization must provide loans of at least 10 per cent, or 5 per cent if for research and development. The remaining project cost is usually provided by banks, insurance companies, the Small Business Administration, or the Economic Development Administration (formerly ARA). The Authority may also lend funds to finance new industrial parks.

* * *



Public Law 89-4
89th Congress, S. 3
March 9, 1965

An Act

To provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Appalachian Regional Development Act of 1965".

Appalachian Re-
gional Develop-
ment Act of 1965.

FINDINGS AND STATEMENT OF PURPOSE

SEC. 2. The Congress hereby finds and declares that the Appalachian region of the United States, while abundant in natural resources and rich in potential, lags behind the rest of the Nation in its economic growth and that its people have not shared properly in the Nation's prosperity. The region's uneven past development, with its historical reliance on a few basic industries and a marginal agriculture, has failed to provide the economic base that is a vital prerequisite for vigorous, self-sustaining growth. The State and local governments and the people of the region understand their problems and have been working and will continue to work purposefully toward their solution. The Congress recognizes the comprehensive report of the President's Appalachian Regional Commission documenting these findings and concludes that regionwide development is feasible, desirable, and urgently needed. It is, therefore, the purpose of this Act to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis. The public investments made in the region under this Act shall be concentrated in areas where there is a significant potential for future growth, and where the expected return on public dollars invested will be the greatest. The States will be responsible for recommending local and State projects, within their borders, which will receive assistance under this Act. As the region obtains the needed physical and transportation facilities and develops its human resources, the Congress expects that the region will generate a diversified industry, and that the region will then be able to support itself, through the workings of a strengthened free enterprise economy.

79 STAT. 5.

79 STAT. 6.

TITLE I—THE APPALACHIAN REGIONAL COMMISSION

MEMBERSHIP AND VOTING

SEC. 101. (a) There is hereby established an Appalachian Regional Commission (hereinafter referred to as the "Commission") which shall be composed of one Federal member, hereinafter referred to as the "Federal Cochairman", appointed by the President by and with the advice and consent of the Senate, and one member from each participating State in the Appalachian region. The Federal Cochairman shall be one of the two Cochairmen of the Commission. Each State member may be the Governor, or his designee, or such other person as may be provided by the law of the State which he represents. The State members of the Commission shall elect a Cochairman of the Commission from among their number.

(b) Except as provided in section 105, decisions by the Commission shall require the affirmative vote of the Federal Cochairman and of a majority of the State members (exclusive of members representing States delinquent under section 105). In matters coming before the Commission, the Federal Cochairman shall, to the extent practicable, consult with the Federal departments and agencies having an interest in the subject matter.

(c) Each State member shall have an alternate, appointed by the Governor or as otherwise may be provided by the law of the State which he represents. The President, by and with the advice and consent of the Senate, shall appoint an alternate for the Federal Co-chairman. An alternate shall vote in the event of the absence, death, disability, removal, or resignation of the State or Federal representative for which he is an alternate.

(d) The Federal Cochairman shall be compensated by the Federal Government at level IV of the Federal Executive Salary Schedule of the Federal Executive Salary Act of 1964. His alternate shall be compensated by the Federal Government at not to exceed the maximum scheduled rate for grade GS-18 of the Classification Act of 1949, as amended, and when not actively serving as an alternate for the Federal Cochairman shall perform such functions and duties as are delegated to him by the Federal Cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by the law of such State.

78 Stat. 417.
5 USC 2211.

78 Stat. 400.
5 USC 1113.

79 STAT. 6.
79 STAT. 7.

FUNCTIONS OF THE COMMISSION

SEC. 102. In carrying out the purposes of this Act, the Commission shall—

(1) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

(2) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

(3) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region;

(4) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation;

(5) encourage the formation of local development districts;

(6) encourage private investment in industrial, commercial, and recreational projects;

(7) serve as a focal point and coordinating unit for Appalachian programs;

(8) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences; and

(9) advise the Secretary of Commerce on applications for grants for administrative expenses to local development districts.

RECOMENDATIONS

SEC. 103. The Commission may, from time to time, make recommendations to the President and to the State Governors and appropriate local officials with respect to—

(1) the expenditure of funds by Federal, State, and local departments and agencies in the region in the fields of natural resources, agriculture, education, training, health and welfare, and other fields related to the purposes of this Act; and

(2) such additional Federal, State, and local legislation or administrative actions as the Commission deems necessary to further the purposes of this Act.

79 STAT. 7.
79 STAT. 8.

LIAISON BETWEEN FEDERAL GOVERNMENT AND THE COMMISSION

SEC. 104. The President shall provide effective and continuing liaison between the Federal Government and the Commission and a coordinated review within the Federal Government of the plans and recommendations submitted by the Commission pursuant to sections 102 and 103.

ADMINISTRATIVE EXPENSES OF THE COMMISSION

SEC. 105. (a) For the period ending on June 30 of the second full Federal fiscal year following the date of enactment of this Act, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid equally by the Federal Government and the States in the region. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

(b) Not to exceed \$2,200,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

ADMINISTRATIVE POWERS OF COMMISSION

SEC. 106. To carry out its duties under this Act, the Commission is authorized to—

(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions.

(2) appoint and fix the compensation of an executive director and such other personnel as may be necessary to enable the Commission to carry out its functions, except that such compensation shall not exceed the salary of the alternate to the Federal Cochairman on the Commission as provided in section 101. No member, alternate, officer, or employee of the Commission, other than the Federal Cochairman on the Commission, his staff, and his alternate and Federal employees detailed to the Commission under paragraph (3) shall be deemed a Federal employee for any purpose.

(3) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the Commission such personnel within his administrative jurisdiction as the Commission may need for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status.

(4) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency.

(5) make arrangements, including contracts, with any participating State government for inclusion in a suitable retirement and employee benefit system of such of its personnel as may not be eligible for, or continue in, another governmental retirement or employee benefit system, or otherwise provide for such coverage of its personnel. The Civil Service Commission of the United States is authorized to contract with the Commission for continued coverage of Commission employees, who at date of Commission employment are Federal employees, in the retirement program and other employee benefit programs of the Federal Government.

(6) accept, use, and dispose of gifts or donations of services or property, real, personal, or mixed, tangible or intangible.

(7) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

(8) maintain a temporary office in the District of Columbia and establish a permanent office at such a central and appropriate location as it may select and field offices at such other places as it may deem appropriate.

(9) take such other actions and incur such other expenses as may be necessary or appropriate.

INFORMATION

SEC. 107. In order to obtain information needed to carry out its duties, the Commission shall—

(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable, a Cochairman of the Commission, or any member of the Commission designated by the Commission for the purpose, being hereby authorized to administer oaths when it is determined by the Commission that testimony shall be taken or evidence received under oath;

(2) arrange for the head of any Federal, State, or local department or agency (who is hereby so authorized to the extent not otherwise prohibited by law) to furnish to the Commission such information as may be available to or procurable by such department or agency; and

(3) keep accurate and complete records of its doings and transactions which shall be made available for public inspection, and for the purpose of audit and examination by the Comptroller General or his duly authorized representatives.

PERSONAL FINANCIAL INTERESTS

SEC. 108. (a) Except as permitted by subsection (b) hereof, no State member or alternate and no officer or employee of the Commission shall participate personally and substantially as member, alternate, officer, or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization (other than a State or political subdivision thereof) in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Any person who shall violate the provisions of this subsection shall be fined not more than \$10,000, or imprisoned not more than two years, or both.

(b) Subsection (a) hereof shall not apply if the State member, alternate, officer, or employee first advises the Commission of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by the Commission that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Commission may expect from such State member, alternate, officer, or employee.

(c) No State member or alternate shall receive any salary, or any contribution to or supplementation of salary for his services on the Commission from any source other than his State. No person detailed to serve the Commission under authority of paragraph (4) of section 106 shall receive any salary or any contribution to or supplementation of salary for his services on the Commission from any source other than the State, local, or intergovernmental department or agency from which he was detailed or from the Commission. Any person who shall violate the provisions of this subsection shall be fined not more than \$5,000, or imprisoned not more than one year, or both.

(d) Notwithstanding any other subsection of this section, the Federal Cochairman and his alternate on the Commission and any Federal officers or employees detailed to duty with it pursuant to paragraph (3) of section 106 shall not be subject to any such subsection but shall remain subject to sections 202 through 209 of title 18, United States Code.

(e) The Commission may, in its discretion, declare void and rescind any contract, loan, or grant of or by the Commission in relation to which it finds that there has been a violation of subsection (a) or (c) of this section, or any of the provisions of sections 202 through 209, title 18, United States Code.

Conflict-of-interests.

76 Stat. 1121.

TITLE II—SPECIAL APPALACHIAN PROGRAMS

PART A—NEW PROGRAMS

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

SEC. 201. (a) The Secretary of Commerce (hereafter in this section referred to as the "Secretary") is authorized to assist in the construction of an Appalachian development highway system serving the Appalachian region (the length of which shall not exceed two thousand three hundred and fifty miles. In addition thereto, there are authorized to be constructed not in excess of one thousand miles of local access roads, that will serve specific recreational, residential, commercial, industrial, or other like facilities or will facilitate a school consolidation program). The system, in conjunction with the Interstate System and other Federal-aid highways in the region will provide a highway system which will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access. The provisions of title 23, United States Code, that are applicable to Federal-aid primary highways, and which the Secretary determines are not inconsistent with this Act, shall apply to the Appalachian development highway system, and the local access roads. 72 Stat. 885.

Submission of
recommendations.

(b) As soon as feasible, the Commission shall submit to the Secretary its recommendations with respect to (1) the general corridor location and termini of the development highways, (2) the designation of local access roads to be constructed, (3) priorities for construction of the local access roads and of the major segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such recommendations, he shall have obtained the recommendations of the State highway department of the State which he represents.

Approval au-
thority.

(c) The Secretary shall have authority to approve in whole or in part such recommendations or to require modifications or revisions thereof. In no event shall the Secretary approve any recommendations for any construction which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriation authorizations in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and shall be required to be maintained by the State.

72 Stat. 885.

(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of mineral resource materials indigenous to the Appalachian region.

Use of coal de-
rivatives.

(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

Federal assist-
ance, limita-
tion.

(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Secretary determines, pursuant to the recommendation of the Commission, that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

Appropriation.

(g) To carry out this section, there is hereby authorized to be appropriated \$840,000,000.

DEMONSTRATION HEALTH FACILITIES

SEC. 202. (a) In order to demonstrate the value of adequate health and medical facilities to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction, equipment, and operation of multicounty demonstration health facilities, including hospitals, regional health diagnostic and treatment centers, and other facilities necessary to health. Grants for such construction (including initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291-291z) and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), without regard to any provisions therein relating to appropriation authorization ceiling or to allotments among the States. Grants under this section shall be made

78 Stat. 447.

42 USC 2661
note.

solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) No grant under this section for construction (including initial equipment) shall exceed 80 per centum of the cost of the project. Not to exceed \$41,000,000 of the funds authorized in section 401 shall be available for construction grants under this section.

79 STAT. 12.

(c) Grants under this section for operation (including equipment other than initial equipment) of a project may be made up to 100 per centum of the costs thereof for the two-year period beginning on the first day such project is in operation as a health facility. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grants for operation of a project shall be made after five years following the commencement of such operations. Not to exceed \$28,000,000 of the funds authorized in section 401 of this Act shall be available for operating grants under this section.

Operating grants, limitation.

LAND STABILIZATION, CONSERVATION, AND EROSION CONTROL

SEC. 203. (a) In order to provide for the control and prevention of erosion and sediment damages in the Appalachian region and to promote the conservation and development of the soil and water resources of the region, the Secretary of Agriculture is authorized to enter into agreements of not more than ten years with landowners, operators, and occupiers, individually or collectively, in the Appalachian region determined by him to have control for the period of the agreement of the lands described therein, providing for land stabilization, erosion and sediment control, and reclamation through changes in land use, and conservation treatment including the establishment of practices and measures for the conservation and development of soil, water, woodland, wildlife, and recreation resources.

Conservation agreements.

(b) The landowner, operator, or occupier shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the appropriate and safe land uses and conservation treatment mutually agreed by the Secretary and the landowner operator, or occupier to be needed on the lands for which the plan was prepared.

(c) Such plan shall be incorporated in an agreement under which the landowner, operator, or occupier shall agree with the Secretary of Agriculture to carry out the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

(d) In return for such agreement by the landowner, operator, or occupier the Secretary of Agriculture shall be authorized to furnish financial and other assistance to such landowner, operator, or occupier in such amounts and subject to such conditions as the Secretary determines are appropriate and in the public interest for the carrying out of the land uses and conservation treatment set forth in the agreement: *Provided*, That grants hereunder shall not exceed 80 per centum of the cost of carrying out such land uses and conservation treatment on fifty acres of land occupied by such owner, operator, or occupier.

(e) The Secretary of Agriculture may terminate any agreement with a landowner, operator, or occupier by mutual agreement if the Secretary determines that such termination would be in the public interest, and may agree to such modification of agreements previously entered into hereunder as he deems desirable to carry out the purposes of this section or to facilitate the practical administration of the program authorized herein.

Modification or termination of agreements.

(f) Notwithstanding any other provision of law, the Secretary of Agriculture, to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (2) surrender of any such history and allotments.

Allotment histories, preservation.

(g) The Secretary of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section.

(h) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service, and the State and local committees provided for in section

52 Stat. 31.
16 USC 590h.

Limitation.

8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(b)), and is authorized to utilize the facilities, services, and authorities of the Commodity Credit Corporation. The Corporation shall not make any expenditures to carry out the provisions of this subsection unless funds specifically appropriated for such purpose have been transferred to it.

(i) Not to exceed \$17,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

TIMBER DEVELOPMENT ORGANIZATIONS

SEC. 204. (a) In order that the region shall more fully benefit from the timber stands that are one of its prime assets, the Secretary of Agriculture is authorized to—

(1) provide technical assistance in the organization and operation, under State law, of private timber development organizations having as their objective the carrying out of timber development programs to improve timber productivity and quality, and increase returns to landowners through establishment of private nonprofit corporations, which on a self-supporting basis may provide (A) continuity of management, good cutting practices, and marketing services, (B) physical consolidation of small holdings or administrative consolidation for efficient management under long-term agreement, (C) management of forest lands, donated to the timber development organizations for demonstrating good forest management, on a profitable and taxpaying basis, and (D) establishment of a permanent fund for perpetuation of the work of the corporations to be composed of donations, real or personal, for educational purposes.

(2) provide not more than one-half of the initial capital requirements of such timber development organizations through loans under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1926 et seq.). Such loans shall not be used for the construction or acquisition of facilities for manufacturing, processing, or marketing forest products, or for physical consolidation of small timber holdings authorized by (1)(B) above except for the establishment of demonstration units.

(b) Not to exceed \$5,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

75 Stat. 307.

Limitation.

MINING AREA RESTORATION

SEC. 205. (a) In order to further the economic development of the region by rehabilitating areas presently damaged by deleterious mining practices, the Secretary of the Interior is authorized to—

(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines, and to reclaim and rehabilitate existing strip and surface mine areas, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act.

(2) plan and execute projects for extinguishing underground and outcrop mine fires in the region in accordance with the provisions of the Act of August 31, 1954 (30 U.S.C. 551 et seq.), without regard to any provisions therein relating to annual appropriation authorization ceilings. Grants under this paragraph shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act.

(3) expand and accelerate fish and wildlife restoration projects in the region in accordance with the provisions of the Act of September 2, 1937 (16 U.S.C. 669 et seq.), and the Act of August 9, 1950 (16 U.S.C. 777 et seq.), without regard to any provisions therein relating to apportionments among the States and to limitations on the availability of funds. The expenses of projects under this paragraph shall be paid solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the apportionments among the States pursuant to any other provisions of law.

69 Stat. 352.

76 Stat. 934.

68 Stat. 1009.

50 Stat. 917.

64 Stat. 430.

(b) For the fiscal years 1966 and 1967, notwithstanding any other provision of law, the Federal share of mining area restoration projects carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof.

Federal share
of costs.

(c) The Congress hereby declares its intent to provide for a study of a comprehensive, long-range program for the purpose of reclaiming and rehabilitating strip and surface mining areas in the United States. To this general end, the Secretary of the Interior shall, in full cooperation with the Secretary of Agriculture, the Tennessee Valley Authority, and other appropriate Federal, State, and local departments and agencies, and with the Commission, make a survey and study of strip and surface mining operations and their effects in the United States. The Secretary of the Interior shall submit to the President his recommendations for a long-range comprehensive program for reclamation and rehabilitation of strip and surface mining areas in the United States and for the policies under which the program should be conducted, and the President shall submit these to the Congress, together with his recommendations, not later than July 1, 1967. By July 1, 1966, the Secretary shall make an interim report to the Commission summarizing his findings to that date on those aspects of strip and surface mining operations in the region that are most urgently in need of attention. Such study and recommendations shall include, but not be limited to, a consideration of the following matters:

Strip and
surface mining
areas, study
and survey.

Report to Presi-
dent for trans-
mittal to Con-
gress.

(1) the nature and extent of strip and surface mining operations in the United States and the conditions resulting therefrom;

(2) the ownership of the real property involved in strip and surface mining operations;

(3) the effectiveness of past action by States or local units of government to remedy the adverse effects of strip and surface mining operation by financial or regulatory measures, and requirements for appropriate State legislation, including adequate enforcement thereof, to provide for proper reclamation and rehabilitation of areas which may be strip and surface mined in the future;

(4) the public interest in and public benefits which may result from reclamation, rehabilitation, and appropriate development and use of areas subjected to strip and surface mining operations, including (A) economic development growth, (B) public recreation, (C) public health and safety, (D) water pollution, stream sedimentation, erosion control, and flood control, (E) highway programs, (F) fish and wildlife protection and restoration, (G) scenic values, and (H) forestry and agriculture;

(5) the appropriate roles of Federal, State, and private interests in the reclamation and rehabilitation of strip and surface mining areas and the relative costs to be borne by each, including specific consideration of (A) the extent, if any, to which strip and surface mine operators are unable to bear the cost of remedial action within the limits imposed by the economics of such mining activity, and (B) the extent to which the prospective value of lands and other natural resources, after remedial work has been completed, would be inadequate to justify the landowners doing the remedial work at their expense; and

(6) the objectives and the total overall costs of a program for accomplishing the reclamation and rehabilitation of existing strip and surface mining areas in the United States, giving adequate consideration to (A) the economic benefits in relation to costs, (B) the prevention of future devastation of reclaimed and rehabilitated areas, (C) the avoidance of unwarranted financial gain to private owners of improved property, and (D) the types of aid required to accomplish such reclamation and rehabilitation.

Limitation.

(d) Not to exceed \$36,500,000 of the funds authorized in section 401 of this Act shall be available to carry out this section. No moneys authorized by this Act shall be expended for the purposes of reclaiming, improving, grading, seeding, or reforestation of strip-mined areas (except on lands owned by Federal, State, or local bodies of government) until authorized by law after completion of the study and report to the President as provided in subsection (c) of this section.

WATER RESOURCE SURVEY

SEC. 206. (a) The Secretary of the Army is hereby authorized and directed to prepare a comprehensive plan for the development and efficient utilization of the water and related resources of the Appalachian region, giving special attention to the need for an increase in the production of economic goods and services within the region as a means of expanding economic opportunities and thus enhancing the welfare of its people, which plan shall constitute an integral and harmonious component of the regional economic development program authorized by this Act.

Flood control,
etc.

(b) This plan may recommend measures for the control of floods, the regulation of the rivers to enhance their value as sources of water supply for industrial and municipal development, the generation of hydroelectric power, the prevention of water pollution by drainage from mines, the development and enhancement of the recreational potentials of the region, the improvement of the rivers for navigation where this would further industrial development at less cost than would the improvement of other modes of transportation, the conservation and efficient utilization of the land resource, and such other measures as may be found necessary to achieve the objectives of this section.

(c) To insure that the plan prepared by the Secretary of the Army shall constitute a harmonious component of the regional program, he shall consult with the Commission and the following: the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Health, Education, and Welfare, the Secretary of the Interior, the Tennessee Valley Authority, and the Federal Power Commission.

(d) The plan prepared pursuant to this section shall be submitted to the Commission. The Commission shall submit the plan to the President with a statement of its views, and the President shall submit the plan to the Congress with his recommendations not later than December 31, 1968.

(e) The Federal agencies referred to in subsection (c) of this section are hereby authorized to assist the Secretary of the Army in the preparation of the plan authorized by this section, and the Secretary of the Army is authorized to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to the preparation of this plan and on such terms as he may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

Contract au-
thority.

(f) The plan to be prepared by the Secretary of the Army pursuant to this section shall also be coordinated with all comprehensive river basin plans heretofore or hereafter developed by United States study commissions, interagency committees, or similar planning bodies, for those river systems draining the Appalachian region.

(g) Not to exceed \$5,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

PART B—SUPPLEMENTATIONS AND MODIFICATIONS OF EXISTING PROGRAMS

VOCATIONAL EDUCATION FACILITIES

SEC. 211. (a) In order to provide basic facilities to give the people of the region the training and education they need to obtain employment, the Secretary of Health, Education, and Welfare is authorized to make grants for construction of the school facilities needed for the provision of vocational education in areas of the region in which such education is not now adequately available. Such grants shall be made in accordance with the provisions of the Vocational Education Act of 1963 (77 Stat. 403), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

20 USC 35 note.

(b) Not to exceed \$16,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

SEWAGE TREATMENT WORKS

SEC. 212. (a) In order to provide facilities to assist in the prevention of pollution of the region's streams and to protect the health and welfare of its citizens, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction of sewage treatment works in accordance with the provisions of the Federal Water Pollution Control Act (33 U.S.C. 466 et seq.), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States pursuant to any other provision of law.

70 Stat. 498;
75 Stat. 204.

(b) Not to exceed \$6,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

AMENDMENTS TO HOUSING ACT OF 1954

73 Stat. 678;
78 Stat. 792,
793.

SEC. 213. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking the word "and" at the end of paragraph (7), by substituting for the period at the end of paragraph (8) the phrase "; and", and by adding a new paragraph (9) to read as follows:

"(9) the Appalachian Regional Commission, established by the Appalachian Regional Development Act of 1965, for comprehensive planning for the Appalachian region as defined by section 403 of such Act."

(b) Section 701(b) of the Housing Act of 1954 (40 U.S.C. 461(b)), is amended by adding before the period at the end of the first sentence the following: ", to States participating in planning for Appalachian regional programs, for expenses incurred in the course of such planning, or to the Appalachian Regional Commission".

SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary of Commerce is authorized, pursuant to specific recommendations of the Commission approved by him and after consultation with the appropriate Federal officials, to allocate funds appropriated to carry out this section to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of such Federal grant-in-aid programs. Funds so allocated shall be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such project otherwise authorized by the applicable law. Funds shall be so allocated for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Such allocations shall be available without regard to any appropriation authorization ceilings in such Act.

(b) The Federal portion of such costs shall not be increased in excess of the percentages established by regulations promulgated by the Secretary of Commerce, and such regulations shall in no event authorize the Federal portion of such costs to exceed 80 per centum thereof.

"Federal grant-in-aid programs."

(c) The term "Federal grant-in-aid programs" as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other Federal grant-in-aid programs authorized on or before the effective date of this Act by Acts other than this Act for the acquisition of land and the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201

33 USC 466 note;
16 USC 1001 note;
42 USC 291; 20 USC
35 note, 351 note;
49 USC 1101 note;
47 USC 390-397;
20 USC 701 note;
16 USC 4601-4
note; 20 USC 401
note.

of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

(d) Not to exceed \$90,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

PART C—GENERAL PROVISIONS

MAINTENANCE OF EFFORT

SEC. 221. No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds, exclusive of Federal funds, for the benefit of the area within the State located in the region are maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act. In computing the average level of expenditure for its last two fiscal years, a State's past expenditure for participation in the National System of Interstate and Defense Highways shall not be included. The Commission shall recommend to the President or such Federal officer or officers as the President may designate, a lesser requirement when it finds that a substantial population decrease in that portion of a State which lies within the region would not justify a State expenditure equal to the average level of the last two years or when it finds that a State's average level of expenditure, within an individual program, has been disproportionate to the present need for that portion of the State which lies within the region.

CONSENT OF STATES

SEC. 222. Nothing contained in this Act shall be interpreted as requiring any State to engage in or accept any program under this Act without its consent.

PROGRAM IMPLEMENTATION

SEC. 223. A program and projects authorized under any section of this title shall not be implemented until (1) the Commission has consulted with the appropriate official or officials concerned with such program and projects as may be designated by the Governor or Governors of the State or States involved and has obtained the recommendations of such official or officials with respect to such program and projects and (2) plans with respect to such program and projects have been recommended by the Commission and have been submitted to and approved or modified by the President or such Federal officer or officers as the President may designate.

PROGRAM DEVELOPMENT CRITERIA

SEC. 224. (a) In developing recommendations on the programs and projects to be given assistance under this Act, and in establishing within those recommendations a priority ranking of the requests for assistance presented to the Commission, the Commission shall follow procedures that will insure consideration of the following factors:

(1) the relationship of the project or class of projects to overall regional development including its location in an area determined by the State have a significant potential for growth;

(2) the population and area to be served by the project or class of projects including the relative per capita income and the unemployment rates in the area;

(3) the relative financial resources available to the State or political subdivisions or instrumentalities thereof which seek to undertake the project;

(4) the importance of the project or class of projects in relation to other projects or classes of projects which may be in competition for the same funds;

(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic and social development of the area served by the project.

(b) No financial assistance shall be authorized under this Act to be used (1) in relocating any establishment or establishments from one area to another; (2) to finance the cost of industrial plants, commercial facilities, machinery, working capital, or other industrial

facilities or to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors; (3) to finance the cost of facilities for the generation, transmission, or distribution of electric energy; or (4) to finance the cost of facilities for the production, transmission, or distribution of gas (natural, manufactured, or mixed).

TITLE III—ADMINISTRATION

LOCAL DEVELOPMENT DISTRICTS—CERTIFICATION

SEC. 301. For the purposes of this Act, a "local development district" shall be an entity certified to the Commission either by the Governor of the State or States in which such entity is located, or by the State officer designated by the appropriate State law to make such certification, as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region. No entity shall be certified as a local development district for the purposes of this Act unless it is one of the following:

- (1) a nonprofit incorporated body organized or chartered under the law of the State in which it is located;
- (2) a nonprofit agency or instrumentality of a State or local government;
- (3) a nonprofit agency or instrumentality created through an interstate compact; or
- (4) a nonprofit association or combination of such bodies, agencies, and instrumentalities.

GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS

SEC. 302. (a) The Secretary of Commerce is authorized—

(1) either directly or through arrangements with the Commission, to make grants for administrative expenses to local development districts. The amount of any such grant shall not exceed 75 per centum of such expenses in any one fiscal year. No grants for administrative expenses shall be made to a local development district for a period in excess of three years beginning on the date the initial grant is made to such development district. The local contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

(2) either directly or through arrangements with appropriate public or private organizations (including the Commission), to the purposes of this Act.

(b) Recipients of Federal assistance under the provisions of this section shall, in accordance with regulations to be promulgated by the Secretary of Commerce, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the Secretary of Commerce. The records of the recipient shall be available for audit with respect to such grants by the Secretary of Commerce and the Comptroller General, or their duly authorized representatives.

Records.
Maintenance
and availability.

(c) Not to exceed \$5,500,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

(d) No part of any appropriated funds may be expended pursuant to authorization given by this Act involving any scientific or technological research or development activity unless such expenditure is conditioned upon provisions effective to insure that all information, copyrights, uses, processes, patents, and other developments resulting from that activity will be made freely available to the general public. Nothing contained in this subsection shall deprive the owner of any background patent relating to any such activity, without his consent, of any right which that owner may have under that patent. Whenever any information, copyright, use, process, patent or development resulting from any such research or development activity conducted in whole or in part with appropriated funds expended under authorization of this Act is withheld or disposed of by any person, organization, or agency in contravention of the provisions of this subsection, the Attorney General shall institute, upon his own motion or upon request made by any person having knowledge of pertinent facts, an action for the enforcement of the provisions of this sub-

Research and
development
activities.

section in the district court of the United States for any judicial district in which any defendant resides, is found, or has a place of business. Such court shall have jurisdiction to hear and determine such action, and to enter therein such orders and decrees as it shall determine to be required to carry into effect fully the provisions of this subsection. Process of the district court for any judicial district in any action instituted under this subsection may be served in any other judicial district of the United States by the United States marshal thereof. Whenever it appears to the court in which any such action is pending that other parties should be brought before the court in such action, the court may cause such other parties to be summoned from any judicial district of the United States.

PROJECT APPROVAL

SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made only by a State, a political subdivision of a State, or a local development district. Each such application shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate such application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance by the Commission.

ANNUAL REPORT

SEC. 304. Not later than six months after the close of each fiscal year, the Commission shall prepare and submit to the Governor of each State in the region and to the President, for transmittal to the Congress, a report on the activities carried out under this Act during such year.

TITLE IV—APPROPRIATIONS AND MISCELLANEOUS PROVISIONS

AUTHORIZATION OF APPROPRIATIONS

SEC. 401. In addition to the appropriations authorized in section 201 for the Appalachian development highway system, there is hereby authorized to be appropriated for the period ending June 30, 1967, to be available until expended, not to exceed \$252,400,000 to carry out this Act.

APPLICABLE LABOR STANDARDS

SEC. 402. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting and decorating, of projects, buildings, and works which are financially assisted through the Federal funds authorized under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

49 Stat. 1011;
78 Stat. 238.
5 USC 133z-15
note.
63 Stat. 108.

DEFINITION OF APPALACHIAN REGION

SEC. 403. As used in this Act, the term "Appalachian region" or "the region" means that area of the eastern United States consisting of the following counties (including any political subdivision located within such area):

Alabama.

In Alabama, the counties of Bibb, Blount, Calhoun, Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, De Kalb, Elmore, Etowah, Fayette, Franklin, Jackson, Jefferson, Lauderdale, Lawrence, Limestone, Madison, Marion, Marshall, Morgan, Randolph, Saint Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, and Winston;

Georgia.

In Georgia, the counties of Banks, Barrow, Bartow, Carroll, Catoosa, Chattooga, Cherokee, Dade, Dawson, Douglas, Fannin, Floyd, Forsyth, Franklin, Gilmer, Gordon, Gwinnett, Habersham, Hall, Haralson, Heard, Jackson, Lumpkin, Madison, Murray, Paulding, Pickens, Polk, Rabun, Stephens, Towns, Union, Walker, White, and Whitfield;

Kentucky.

In Kentucky, the counties of Adair, Bath, Bell, Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton, Cumberland, Elliott, Estill, Fleming, Floyd, Garrard, Green, Greenup, Harlan, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Lincoln, McCreary, Madison, Magoffin, Martin, Menifee, Monroe, Montgomery, Morgan, Owsley, Perry, Pike, Powell, Pulaski, Rockcastle, Rowan, Russell, Wayne, Whitley, and Wolfe;

In Maryland, the counties of Allegany, Garrett, and Washington;

Maryland.

In North Carolina, the counties of Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Davie, Forsyth, Graham, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey;

North Carolina.

In Ohio, the counties of Adams, Athens, Belmont, Brown, Carroll, Clermont, Coshocton, Gallia, Guernsey, Harrison, Highland, Hocking, Holmes, Jackson, Jefferson, Lawrence, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross, Scioto, Tuscarawas, Vinton, and Washington;

Ohio.

In Pennsylvania, the counties of Allegheny, Armstrong, Beaver, Bedford, Blair, Bradford, Butler, Cambria, Cameron, Carbon, Centre, Clarion, Clearfield, Clinton, Columbia, Crawford, Elk, Erie, Fayette, Forest, Fulton, Greene, Huntingdon, Indiana, Jefferson, Juniata, Lackawanna, Lawrence, Luzerne, Lycoming, McKean, Mercer, Mifflin, Monroe, Montour, Northumberland, Perry, Pike, Potter, Schuylkill, Snyder, Somerset, Sullivan, Susquehanna, Tioga, Union, Venango, Warren, Washington, Wayne, Westmoreland, and Wyoming;

Pennsylvania.

In South Carolina, the counties of Anderson, Cherokee, Greenville, Oconee, Pickens, and Spartanburg;

South Carolina.

In Tennessee, the counties of Anderson, Bledsoe, Blount, Bradley, Campbell, Carter, Claiborne, Clay, Cocke, Coffee, Cumberland, De Kalb, Fentress, Franklin, Grainger, Greene, Grundy, Hamblen, Hamilton, Hancock, Hawkins, Jackson, Jefferson, Johnson, Knox, Loudon, McMinn, Macon, Marion, Meigs, Monroe, Morgan, Overton, Pickett, Polk, Putnam, Rhea, Roane, Scott, Sequatchie, Sevier, Smith, Sullivan, Unicoi, Union, Van Buren, Warren, Washington, and White;

Tennessee.

In Virginia, the counties of Alleghany, Bath, Bland, Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd, Giles, Grayson, Highland, Lee, Pulaski, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe;

Virginia.

All the counties of West Virginia:

West Virginia.

Provided, That the Commission is hereby authorized and directed to study and consider, in consultation with the Governor of the State of New York or an appropriate official or officials designated by him, the inclusion of such counties of the State of New York as are contiguous to the Appalachian region as defined in this section and counties contiguous thereto in the Appalachian region for the purposes of this Act; and if the Commission shall decide after such consultation, that these counties share the social and economic characteristics of the region, and that the inclusion of these counties would further the purposes of this Act as set forth in section 2, then the Commission is authorized and directed to invite the State of New York to participate in the Commission on an appropriate basis: *Provided further*, That the Commission may extend the invitation to the State of New York for inclusion of such of the described counties the inclusion of which would further the purposes of the Act: *And provided further*, That if such invitation is duly accepted by the State of New York, those counties shall be included in "the region" or "the Appalachian region" for the purposes of this Act.

New York.

Study.

SEVERABILITY

SEC. 404. If any provision of this Act, or the applicability thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

TERMINATION

SEC. 405. This Act shall cease to be in effect on July 1, 1971.

Approved March 9, 1965.

